

Rosenberg Corey

From: Maureen MacNabb <mmac@capmng.com>
Sent: Friday, May 05, 2017 9:47 AM
To: SHS Exhibits
Subject: HB2004-Opposition testimony

To all respected Elected Officials,

I am a business owner in the city of Portland managing roughly 130 buildings and have been doing so for 27 years. I have a staff of 41 and have been prideful of not only employing great people but also cultivating business relationships with small investors who have invested in our City and State by providing quality housing. The elimination of a No Cause termination notice is a mistake as it is a tool that Property Managers require when having to handle difficult tenants and circumstances such as the following scenario I am currently involved in.

Example A: I have been dealing with two residents unable to get along with one another since the better part of 9 months. I have been fielding complaints several times weekly from both tenants against each other. Our first attempt to remedy the discontent between the two residents, the Owner offered to pay for mediation services for both Residents. One agreed to attend the other did not. Our second attempt to find a solution was a \$1000 moving allowance to each Resident with allowing them to move without a 30 day notice. Neither tenant accepted our offer. Our last resort and final solution was to give a 90 day notice to both tenants and treat them equally. We did so but the notices were rescinded upon the passing of the city ordinance requiring the landlord to pay relocation costs. The cost to the owner would have been \$7400. Because two tenants cannot square away their differences, the owner is penalized? Did we not use every resource available to resolve an issue BEFORE jumping to the no cause termination? Since this time, my staff have spent hours trying to corroborate evidence against both tenants for the purposes of issuing for cause notices. This has required the involvement of our legal counsel. To date this has cost the owner \$3,000 in legal fees. Rewarding bad behavior is simply ludicrous.

As for the concept of rent control, I offer you the following thoughts.

Our compensation for managing properties, is based on a percentage of gross income collected. As such, when you cap rents, you cap *my* employees earning potential. Additionally, I manage MANY vintage buildings that will be subject to earthquake retrofitting. How does an owner possibly pay for expensive retrofits, when you control what they can charge for rent? We do and will take care of our Residents by providing safer places to live which I and my clients are all in favor of. However, my clients will be required to borrow money to do these costly retrofits and you want to control what they can charge for rent? How is an Owner able to make repairs when you decide what he or she can charge for rent?

Rent control is already in effect with supply and demand. As supply exceeds demand (which by the way it *is* already happening), rental prices are forced to go down. Vacancy rates have risen over the last year and I predict will continue to rise driving prices down.

Example B:

Soon after the City of Portland ordinances passed, I received several calls from clients I represent, requesting that I immediately impose 9.9 % rent increases where eligible. The unintended consequences of this ordinance has caused tenants to receive higher rent increases than we would typically impose. The intent of the city/state to keep housing affordable is working in reverse and driving rents up even faster.

Example C:

Without exception, the individuals I manage property for are entrepreneurs and independent business Owners either retired or remain operating their small businesses like myself. The properties which they have invested in are in fact their 401K's. You would like to control my clients retirement income? Do you have a retirement fund? Do you have a group of people that determine what your return will be? I think not.

I implore you to take more time to think of the serious negative effects passing HB2004 will do. These are knee jerk reactions to issues that have risen quickly out of Tenant Advocate groups putting pressure on the wrong issues and feel good concepts that have proven not to work. Is it any wonder why both New York City and San Francisco are the two most expensive cities to live in the US? Rent control DOES NOT WORK.

I appreciate your consideration and a NO VOTE for HB2004.

Respectfully,

Maureen T. MacNabb

President/Property Manager

Capital Property Management Services, Inc.

Phone: 503.287.4346

www.capmng.com

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