

Greetings, Representative Keny-Guyer and Co-Petitioners,

I am a long-time resident of Portland and a landlord of four rental units here as well as a VRBO (short-term transient rental) in the state of Washington.

In general, I SUPPORT the ideas put forth in HB 4001, especially the allowance of inclusionary zoning. However, I have a few suggestions to strengthen the bill.

First, it is difficult to understand how many tenants and how many landlords are affected by the lack of low-income housing. It is also almost impossible to find out how many landlords in general are local and how many are out of town. This would shed light on what percentage are members of the community and therefore care about those with low income as well as their own profits. We also need to understand how many units are controlled by out of area landlords. This would help us understand how many are likely to be raising rents for pure economic reason. In general, in order to make good, long-term decisions about housing, demographics of the affected populations (landlords and tenants) need to be measured and understood. I suggest an amendment be added to the bill to do research and analyze the numbers.

Secondly, I would strongly urge you to amend the bill to include a sunset clause. My suggestion is two years. We have experienced unexpected consequences so often due to knee-jerk reactions to crises. We need to act quickly on this crisis but we shouldn't fool ourselves that we have the final solution.

Lastly, there are a number of housing bills this session that call for funds in order to implement sound ideas. I would suggest an area of possible new revenue to consider is transient housing taxes. I read that many rental units including low-income houses in Portland are being purchased or renovated for short-term rentals. This is understandable from the landlords' side because the income can be doubled or tripled over regular rents. If the excise or income tax were increased on short-term rentals, landlords would not be hurt very much; they would add the tax onto the rental price. Due to the tight, short-term rental market, the landlords would not see much of a decrease in the demand for their units even with a higher price. Unless there is a law or regulation that prohibits earmarking these taxes to specific purposes, the revenue could be dedicated to low-income housing needs. If that is prohibited, the revenue could go to the General Fund for distribution. In the state of Washington, I pay 10.1% on short-term rental income. These funds go into the General Fund, water quality account, health services account, drug enforcement account and the salmon recovery account.

I SUPPORT HB 4001 but I believe it could be considered a beginning, not the final answer.

With great respect,

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