

Testimony for the Committee on Human Services and Housing regarding HB 2004 on 3/2/17

My husband and I are first time landlords. We bought and lived in a small home in Westmoreland for 16 years and this summer we wanted to get a slightly larger house. Our house was the smallest house on the block and we'd seen houses like ours torn down to make room for huge boxes that block the sun from the neighbor's garden. We didn't want our neighbors to have to live through a demolition and our house was in really good shape with traditional Bungalow style built-ins and original woodwork. We saved up enough money and with a HUGE gift from our parents we are able to maintain two mortgages because we were able to get a tenant in right away. We took a class on how to be a landlord and plan on following all the laws so we can be good ones. The laws seemed fairly balanced, if not favoring the tenants. We figured we could rent the house out for 20 years and then sell it when we needed money to cover the inevitable health costs we'll all incur in this administration. But in general, our rental house was to be our retirement plan.

It is still a gamble as neither of us can ever quit our jobs, take a lower paying job or get injured or sick. The systems in the house needed a lot of work to make it a legal rental and we spent \$20,000 making the house nice for our tenants. At the rent we charge, it will be 5 years before we ever see a single dime of profit on the house. I thought we were doing the right thing: putting a small house on the market as a rental in a town that needs them desperately instead of selling our property to a developer that would probably bulldoze a perfectly good house and put up a bigger, more expensive house for sale. So how am I the bad guy? With this new president, I can already see our economy is going to tank and our health care as well. I am seriously scared for my investment.

After the city of Portland passed their ordinance, we seriously considered selling our house just to protect ourselves. Then I heard about HB 2004, which is not a bill, it's a bull in a china shop. I question its legality because it sounds like you're normalizing adverse possession and violating contracts law. I question what problem this bill will actually solve and whether the language has been thought through, let alone all the secondary real-life implications. Nowhere does it address actual caps on rent increases, which, as a previous renter, I am not opposed to at all.

- This ordinance assumes that all landlords have more money than their tenants. In my case, that is not true. My tenant's yearly income is more than both of ours put together. If I needed my tenants to vacate the house in a hurry, I assure you it won't be because I suddenly got greedy for more rent, it's because I'm experiencing an emergency. We, or our parents, might get sick, we might lose our jobs, go bankrupt; our present house could burn down. So in a financial emergency, I will be expected to pay my tenant \$9,000 so that I can move back into my own house? Who has that kind of money laying around just in case? Big developers or landlords with hundreds of units might, but not me.
- Some clarity in language might cause less panic among mom and pop landlords. Just for one example, it says "Relocation assistance" means payment of an amount equal to three months' rent plus the security deposit charged at the beginning of the tenancy." Presumably you mean, minus the costs of any damage to the house, right? This bill doesn't appear to amend ORS 90.300. Or are we expected to give tenants the security deposit, 3 months' rent and then ask nicely for the costs of the damage they made?
- I became a landlord 5 months ago under the assumption we had certain housing laws. By declaring an emergency, presumably to make this go into effect immediately, I am now in a

market, which I would likely have chosen not to be a part of just 5 months ago. I see my retirement plan going up in smoke. This will have a serious chilling effect on people who wanted to become landlords for the same reason I did, further concentrating ownership in the hands of fewer people and corporations.

- I don't want to be a landlord forever. HB 2004, specifically section 1.4c makes it fairly impossible for me to stop being one if my tenant wants to continue living there forever. It is my property. How does a tenant have more rights to the house than I do? Am I only allowed out of the rental agreement when my tenant releases me?

I don't know what the solution to our housing crisis is, but I'm pretty sure that attacking the people who are supplying housing is not going to solve it. Perhaps we need more stringent zoning laws. Maybe we need to actually enforce our affordable housing agreements. Put a cap on how much you can raise rents. Or maybe you should raise the minimum wage so that everyone can afford housing. All I know is that all landlords are not the same. At the very least, there should be exemptions for landlords with FEWER than 5 units.

If this bill passes as is, many landlords with only one house who are just barely making it are going to sell their rentals to developers who may tear it down to build something even more expensive, exacerbating the housing crisis, not helping it.

In addition, this bill revokes a law prohibiting rent control that stated, "The Legislative Assembly finds that there is a social and economic need to insure an adequate supply of affordable housing for Oregonians. The Legislative Assembly also finds that the imposition of general restrictions on housing rents will disrupt an orderly housing market, increase deferred maintenance of existing housing stock, lead to abandonment of existing rental units and create a property tax shift from rental-owned to owner-occupied housing. Therefore, the Legislative Assembly declares that the imposition of rent control on housing in the State of Oregon is a matter of statewide concern." What about this has changed since ORS 91.225 was passed? I commend you on trying to address our housing crisis. But this bill is going to worsen the housing crisis, not improve it.

I recommend you:

- (1) Remove the mandatory lease renewal requirement and allow fixed term leases to expire on their own terms to avoid forcing us to be "landlords for life."
- (2) Provide an absolute exemption for the sale of a home.
- (3) Provide an exemption for single-family homes or for landlords who own fewer than five rental units.
- (4) Remove or seriously decrease the relocation assistance requirements to ensure that small landlords can continue to afford to own rental property.

Thank you for considering my testimony.

Sincerely, Joy Keen 6034 NE 9th Ave Portland, OR 97211 joyakeen@gmail.com