

March 1, 2017

Dear Representatives,

I am writing each of you to express my opposition to HB 2004, and hope you will agree to follow suit. There are many unintended consequences that you may not have considered. First let me tell you about my rental practice - my husband and I own 2 duplexes and 2 houses in Ashland, Oregon. We've owned these for nearly 20 years. We operate our rentals with integrity and good business practices. We've had mostly good experiences with all our tenants, though there have been some exceptions. Most of our tenants stay for years and years. We only rent out our rentals on an annual basis. We had to switch to this method after discovering over the first 5 years, that when we do month to months, when a tenant gives notice over the winter months, this rental will sit vacant for months and months. We could not afford to let this happen. Property taxes, mortgage costs (higher property values) and repair/maintenance costs (older homes) are high. So therefore, we switched to only offering annual rentals, and this has worked out extremely well. We let the tenant know in plenty of time before their lease expires that the time is coming up, and if they'd like to renew their lease or move out. Most choose to renew. We look at our costs at this time as well, and with inflation, increased costs of repairs, etc. we typically have to raise rents from 2 to 3% each year, to cover the increased costs. Again, most tenants renew with no issue. There have been times where tenants say they would like to stay a certain amount of time, but not a year - for this we negotiate to come up with a time frame that is acceptable to both of us, as long as it is not in the winter time.

HB 2004 severely impacts the way we have done business for the last 15 years. The annual rental is the business I am in. That seems a personal property right I have to decide my business and run it. Obviously following habitability, non discrimination laws, etc, but as far as annual or month to month, that seems my choice. Then it is up to prospective tenants to choose if they want to engage in an annual rental. I feel it should not be up to the whim of the tenant to decide if my business is now going to a month to month business or an annual one. If I were forced to go to month to month thru this bill, I would be monetarily damaged. It seems ludicrous to me that a law could be passed similar to telling a grocery or restaurant owner, that they are required to stay open and keep providing me food. There are some property and business rights, such as this, that should not be decided for me by either government or tenant. If this law is passed, I will be forced to raise my rents, to cover this loss that I now can plan on occurring.

There are several issues with items in the bill - I apologize the rest of my letter is going to be a bit rushed, as I'm trying to meet the 5:00 deadline - I had planned on attending the later session tomorrow, and just found out we cannot go as we have a rental repair. As for the relocation costs - I don't even have that kind of money. My most expensive rental (a 4 bedroom home) is \$1,600 a month - at \$4,800 plus returning a security deposit - that is impossible for me to pay. Further, it doesn't cost anything close to that in costs to move and is a very unrealistic burden for landlords to pay. If that ever were to pass, it seems it should be a more realistic amount.

As far as taking away the no cause notice - the no cause notice is a necessity in good business practices and benefits both landlords and tenants. In nearly 20 years, we've given a no cause notice only 3 times -less than 10% of all our renters. There was one rental that every month the tenant would not pay rent on time, and we would every month have to contact the tenant, see where the rent was, when she was going to pay, etc - and many times had to issue the required notices. This was extremely stressful and unfair to each of us. It was not an ongoing relationship that we wished to have, yet she was a very nice person, and we did not want to hurt her rental history by having to give her a for cause notice. We gave a no cause notice, and gave her 60 days instead of 30. Had we not been able to do such a notice, she would have been significantly impacted. If you feel a required need to do something about the no cause notice, then rather than abolish it, at least just increase the notice period to 60 days. That seems to make much more sense and is a fairer policy to everyone.

There was another case where a tenant had a dog at a duplex that she would let roam instead of keeping on a leash, and not picking up dog presents. The downstairs tenant who had lived their 2 years complained constantly. We gave several warnings, etc, but certainly we could have never taken the matter to court on a for cause notice. It wasn't an issue that would have been winnable in court, and we would have ended up losing an excellent tenant downstairs, for the benefit of a very inconsiderate tenant who was impacting both our downstairs tenant and the neighbors. So when the lease was coming up for renewal, we had the flexibility to be able to not renew the lease, giving her 90 days notice that this was the case. IT does not make sense that we'd be forced to offer her another year's lease, or if she wishes to go to a month to month, that we would not ever be able to get out of the relationship.

Another example - we have a rental of a single parent with 3 children - he's a busy guy. He pays rent mostly timely and keeps the place and yard up minimally. We can overlook most of this stuff, but one day, maybe years from now. we will have to sell this house. There is no way this house could ever sell for its true value if it were not clean and picked up -inside and out. Obviously, we cannot force someone to keep a cleaner house. When that time comes, it is our intention to give him 90 days notice to move on as we are going to sell the home. At that time, we would take our investment, get it immaculate and ready to sell, and then sell the home. This should be our right and ability to do with such a significant money at risk. I don't see that this could happen with bill 2004. And I certainly couldn't afford to outlay \$5,000+ for this to happen. It is one thing to choose to get into a business - a person should certainly be able to choose to get out of it, and not just at the time that the property has sold - that also would bring significant financial loss to a person.

We run our business with caring intention, integrity, and humanity. We do not price gouge, raise rents unreasonably, etc. We are not a big corporation with deep pockets, nor do we engage in discriminatory practices. If these bills pass, we would definitely reconsider what we are doing - perhaps transition over to just doing short term rentals through airbnb. It seems this bill is a bandaid to try to solve the problems that are existing in portland. However, these problems don't exist all over the state, and I would argue that the measures being taken won't

actually solve the problems of portland. Rent control isn't the answer, abolishing no-cause notices isn't the answer, and forcing annuals over to month to month isn't the answer either. If landlords will be forced to only use for cause notices, the increased costs of attorneys being required will ultimately just be passed onto the tenant.

Further, you can be sure that landlords will become extremely picky when procuring a tenant in the first place. In the past, we've overlooked our screening guidelines and given a tenant a chance - this will no longer happen. We will have stricter guidelines, and will not take chances on tenant's with bad references or bad credit. There would be too much to lose if HB 2004 is put into place. And when we've made an investment in a home that has been rented out, it seems unfair that market prices of the home will then go down, if rent control is in place. All the reactions that landlords will be forced to make if the bill passes will only hurt the tenant in the long run. And as these single home landlords get out of this business, there is no way that big corporations would ever get into that business of providing a single family home as a rental. There just wouldn't be enough profit margin for them to accept, that a small business owner would, who owns just a few rental homes. We've provided rental homes for years to single parents, young families with children, etc - what I foresee with the passage of this bill, is the decline of people having homes with a yard - space to garden etc - what will be left in the rental market, in the majority, is large apartment complexes, that for whatever reason are unable to be converted to condos.

There are too many unintended consequences to this bill - please reconsider its passage. It needs further work on its elements to truly solve the problems of the housing shortage in portland and the very isolated other areas that may exist in the state.

Thank you,

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PS - my husband wrote earlier from this same email address -we do not have our own emails - so please consider my letter independently of his :)