

February 2017

Representative Mike Nearman
900 Court St NE, H-378
Salem, OR 97301

Representative Nearman;

I have been reviewing the various opinions/positions concerning proposed changes to the Oregon rental housing market that are being considered during the 2017 Legislative session. I have deep concerns that the proposed legislative changes are originating from only one side of the housing issue, predominantly from one area of the state, and will produce unintended negative consequences in the rental housing industry. I want to provide you with my opinion/recommendation.

- I am concerned that most of the issues raised are originating mainly from tenant groups in the Portland area, and a few other cities, and should not be a catalyst to change rental housing policies throughout the state of Oregon. The issues in the Portland and other areas should be resolved by the city staffs/city councils/city commissioners in those areas.
- **Rent Control.** I am concerned that the rent control/rent freeze initiative does not have a corresponding initiative to control/freeze property taxes, property insurance, and other costs of owning rental property that I am expected to pay every year. I can still expect the Linn-Benton Tax office to raise my property taxes 3%, my property insurance will increase, local water bill will be increased, and garbage service (that I provide for my rental property) will increase for 2017. Recently approved minimum wage increases for worker to maintain my rental property will also negatively impact me if the proposed rent control initiative is approved by the Oregon Legislative session. **If you are supporting the bill to establish rent control/freeze initiative, then why aren't other costs that I have to pay being controlled/frozen, at a similar rate?** Why are landlords being made responsible for paying all these increases? Rent controls/freezes have not been used in Oregon since World War II and it is unjust and unfair to regulate the rental housing industry in that manner. What other industry in Oregon has been targeted with such limits or regulation?
- **No Cause Notice of Termination.** I am concerned that any regulation/prohibition of No-Cause termination/eviction process will create unintended consequences that will have detrimental effects on tenants and landlords alike. Any legislation that regulates, or prohibits, No-Cause process will force landlords to use For-Cause FED eviction process which will follow the tenant for several years. FED eviction processes will clog an already slow judicial process and will financially cost tenants in the end. I do not have the additional funds to pay for FED eviction judicial cost to get my rental property back if my only option is For Cause evictions.
- **Tenant Relocation Costs.** Any proposed legislation that establishes a "Relocation Cost" for tenants is a non-starter. What other industry is forced to provide a relocation benefit to employees who are terminated? Why am I being held hostage in order to get my rental

property back? I do not have the additional funds to pay for the relocation costs that are being proposed.

I believe the proposed legislation would be a disaster for the rental industry in Oregon and have a negative impact on affordable housing. The vacancy rates in the Corvallis/Albany/Philomath areas are very low and we need to have more rental units built. The current version of the legislation would be a disincentive to building new rentals, will cause many current rental owners to get out of the business, and that will further exacerbate the affordable housing problem. The proposed legislation is the wrong thing to do and will not address the real problem, which is a lack of new rental housing.

Please vote in opposition of the subject House Bills 2001, 2003, 2004, and 2240. Tell the Portland political representatives to fix their own perceived problems by a different means than to restrict the rental markets in all Oregon communities.

Very Respectfully;
Carl Carpenter