

## Rosenberg Corey

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**From:** ColumbiaOps <ColumbiaOps@imagesproperties.com>  
**Sent:** Tuesday, May 02, 2017 4:36 PM  
**To:** SHS Exhibits  
**Subject:** Written Statement Regarding HB 2004

Dear Chair Gelser and members of the Senate Human Services Committee,

I am an operations specialist for Images Properties in the Portland Metro area; we are a small company of roughly 350 doors across 3 complexes. I have been working in property management professionally for over 5 years and have been a landlord through my family business since I was 18. I own single family and duplex properties in Washington and California and work multifamily in Oregon. Several properties that I have in the Bay Area are rent controlled and I know firsthand the negative impact it has on both landlords and tenants. While rent control looks like an attractive solution, it will be of limited benefit in the short term, and studies have proven that long term effects are often the exact opposite of the intended result. We do have a housing crisis in Oregon, but this bill does nothing to alleviate the underlying causes. Please see my research below.

### **Rent Control:**

1. Artificially caps market and creates cash flow problems for owners that negatively impact tenants:
  - a. Limits financial options of owners for large scale improvements and unit upgrades.
  - b. Lack of capital can result in deferred necessary maintenance and negatively impacts preventative maintenance measures
  - c. With a lack of return on investment, there is a lack of incentive to maintain properties which results in a lack of quality housing.
2. Limit accessibility to available units:
  - a. Higher move in costs
    - i. Less rent can equal significantly higher deposits due to longer tenancy and more wear that cannot be absorbed by owners' whose reserves are limited by less income.
    - ii. Less money over time could lead to demands for more money up front creating insurmountable barriers to lower income families and 1<sup>st</sup> time renters.
  - b. More restrictive rental criteria
    - i. Less flexibility in rent will lead to more restrictive criteria across the board; owners will be forced to be less open minded to protect investment.
    - ii. Does not eliminate other barriers to housing such as criminal history, evictions, lack of qualifying income, etc.
    - iii. Promotes discriminatory housing practices:
      1. Eliminates RENT as basis of choice for housing.
      2. Reliance on credit/income for screening decisions biases against young & poor in particular;
      3. Skews towards decisions white/educated/middle income;
      4. Slows economic and racial integration of neighborhoods.
  - c. FEWER UNITS AVAILABLE due to rent control (nobody is moving) – landlords have no incentive to compete when the market is artificially controlled.

- d. Higher income households STILL benefiting more than lower income households.
- 3. Cooling effect on investors due to lack of market freedom/profitability – doesn't solve availability issues by allowing for growth to bring the shortage or available units down, thus lowering rents as the market shifts.
  - a. Disincentivizes new construction
    - i. Directs investment capital into more profitable areas other than housing construction or sends that capital to areas other than Oregon.
    - ii. Construction declines overall and some existing rental housing could simply be converted to other use that generates better/more profit unhindered by artificial market control.
  - b. Less investment/value in existing properties
  - c. Includes lack of interest/investment in expanding Low Income Housing which is vital to solve issue to begin with.
- 4. Government/Administrative issues:
  - a. Significant reduction in property tax revenue – reduced market value of property affected by law.
  - b. Large scale bureaucracy to be in place to enforced. Elaborate checks, hearings, appeal processes.
- 5. Negative impact on mobility of residents – less likely and ABLE to move for job opportunities or job changes that would otherwise have more freedom to follow opportunities

**No-Cause Notices:**

- 1. Upgrades – landlords will not upgrade units if there is no control over vacancy.
- 2. Time limit is already 90 days for no cause.
- 3. Allows problem tenants to leave without negative consequences on their record.
- 4. For Cause Notices create barriers to getting new housing and is exacerbated by rent control creating a lack of availability.

Thank you for your time and consideration.

*Christine*

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