

## Rosenberg Corey

---

**From:** Emese Foss <emesefoss@yahoo.com>  
**Sent:** Tuesday, May 02, 2017 11:50 PM  
**To:** SHS Exhibits  
**Subject:** No Vote for HB 2004-A

Dear Oregon Legislature,

I currently have rental properties in Eugene, OR, as well as in Berkeley, CA. I invest in real estate to prepare for my retirement. I am not rich (I'm a small time investor), and I take pride in running a good, solid rental business. I consider myself to be a very good landlord. Many of my tenants stay long term, I have good rapport with them, and some are even happy to recommend a friend or acquaintance as their replacement when they decide to leave. The current rent laws in Oregon and Eugene encourage this type of tenant/landlord interaction. Because of my experience dealing with rent control in Berkeley, I see a terrible future for Oregon with the proposed legislation HB 2004-A. From what I understand, it will put disproportionate limitations onto the landlord (who has everything to loose if things don't go well with their investment), and shift the balance to tenants (who have no ownership, no responsibility, and no stake in the property).

I have first hand experience under two different state rental laws of how landlord/tenant issues can be resolved:

The first is an example of something that happened to me at my Berkeley property a few years back . . . I had a tenant who paid his rent on time, kept the place up, but was intrusive and confrontational to not only my other tenants, but to homeowners in the immediate vicinity. Because of the rent control laws, I had no legal rights to give him notice to leave. We had numerous conversations, but his behavior did not change. This went on for years because his lease automatically renewed. I couldn't keep my other units occupied for more than 9 – 12 months, and two neighbors ended up selling their homes to move away from the situation. I couldn't get him out. It took one of his anti-Semitic rants to one of my tenants that was witnessed by others, before I had enough evidence to try to start the eviction process. After many months of negotiating back and forth through lawyers (he got a pro bono lawyer through a pro-tenant advocacy group), we came to an agreement at great financial cost to me, and incredible emotional distress to all involved.

In stark contrast, here's a very similar situation I recently had in Eugene, OR . . . I had a tenant who invite her boyfriend to live with her without notifying me. Her boyfriend was very confrontational with my other tenants, in some cases threatening them. Police were called numerous times. I spoke repeatedly with my tenant. She did nothing to alleviate the situation. I gave her a "no cause" notice to leave. She left on the last day of the notice after trashing the place. I took the financial hit (both lost rent and material and labor costs) to get the place back into rentable shape. With HB 2004-A, not only would I be hard pressed to get her out, but to add insult to injury, I would have to pay her to relocate.

If you talk to anyone who is active in rent control law in California, they will all say it looks great on paper, but is horrific in practice. The shenanigans that happen in Berkeley, San Francisco, Oakland, etc. are well documented and should be a warning to anyone considering rent control. I have seen tenants make huge amounts of money as they run circles around the rent control system and landlords, who have little to no legal rights to their property, resort to all sorts of tactics to get rid of tenants. And believe me, not all landlords are money-grubbing monsters; sometimes tenants are just bad tenants.

You know, it only takes one or two of the above situations to end a rental business or put a landlord into financial hardship, especially those who don't have that many units to absorb these extra costs. That's the reason why Berkeley currently has very few rentals left that are under rent control (now at only about 20% of what was available at the start of rent control). Who are able to be landlords in Berkeley? Those who are not under rent control . . . the University (exempt from the beginning . . . and, by the way, they bought up much of the rental properties around the University in

the '80s from owners who could not survive under the burden of rent control and continue to rent these very properties without rent control restraints), and anyone who has a building built after 1980. Pretty much all other rentals were turned into condos or sold as single family homes to owners who now live in them.

Before you pass any rent control legislation for Oregon, I would encourage you to talk to the Berkeley Property Owners Association about the pros and cons of rent control. To put legislation in place to help a few can inadvertently have very adverse affects on many. As I wrote earlier, rent control looks great on paper, but is a disaster in practice.

Please do not move forward with HB 2004-A. It will be the start of a downward spiral with many very unfortunate consequences.

Thanks, Emese Foss