

HB 2004 – A
Testimony by Janel Page on March 2, 2017

I oppose HB 2004-A. I have been a renter, a homeowner, and now I am also a small landlord with 6 rental units in the Salem/Keizer area. As a young adult, I was denied as an applicant. I later (barely) qualified and was able to rent. After several years, I became a homeowner. Much later, I became a landlord. I've personally experienced rent increases, property price increases, maintenance issues, tenant issues, etc. – from both sides.

HB 2004-A will make it much more difficult to be profitable as a landlord. I did have a job that paid me a salary. Owning rentals now pays my bills. If it becomes unappealing to own rentals in Oregon, then I will invest out of state, invest in something else, or do something else to pay my bills. So will other rental owners. Why would we take on all the risks of investment without being able to pay bills, or even just barely squeak by?

I'm looking to grow my rental business and hire employees. This bill makes me less likely to do that.

HB 2004-A is bad for Oregon:

- It will cause tighter screening of tenants and higher deposits.
- It will remove a large number of single family homes from the rental pool. It will cause many landlords to sell their rentals and get out of the industry. These will cause even lower supply and drive rents up.
- It will be a significant financial burden on small landlords, like me.
- Many people will not qualify to rent a house - OR - for a mortgage to buy a house. What will they do? Where will they live?

So let's say a tenant get their wish for this bill to pass, and is then evicted "for cause." It's all documented. Their old landlord even has to pay for some relocation expenses. Great! But... why would I (or any landlord) take on the risk to rent to them, when I think I will likely have to pay to make them leave later? They've been a problem once, why would my experience with them be different?

More regulations and expenses for landlords will cause more people to sell their rental houses instead of renting them. People who do not qualify for mortgages will also not be able to rent a home. Landlords will be more stringent with their screening and won't take a chance on tenants with bruised credit or with "for cause" evictions on their record. So those folks will not be able to buy or rent! Now they're living with family, or out on the streets, or what do they do? What a terrible situation for them. This bill didn't help them! It made things worse!

This bill will cause landlords to implement stricter applicant screening criteria. So the next step is to legislatively impose looser screening criteria for applicants, right? Except... many of the multifamily properties will become condos, sold to homeowners, and those applicants will still be out of luck. It's been tried. It doesn't work.

I like my renters, and they generally like me. They are valued clients and part of my community. Sometimes they become friends. I don't like what this bill would do to them and their futures.

Rent control or rent stabilization has been tried before, always with the best of intentions. Many economists agree it doesn't work, even when they don't agree on much else. Laws in Oregon were passed to prohibit rent control because we tried it after WWII, and it led to problems. It will again lead to problems – deferred maintenance, a smaller supply of rentals overall, and a smaller supply of affordable housing – the opposite of what we need to accomplish.

Requiring landlords to pay relocation costs for tenants is too much. In a few years when baby boomers really start to downsize, the economy will be much different. Are tenants going to pay me a couple of month's rent when they leave, and I can't re-rent? This change is unfair.

HB 2004-A would penalize landlords and small businesses. It will have unintended negative and long-term consequences for renters, landlords, and the local economy. It will hurt business in Oregon, and further reduce the supply of affordable housing.

To increase the housing supply, and affordable housing specifically, legislators should instead focus their efforts on removing barriers and costs associated with making more rentals available. As a community, we should be incentivizing landlords, allowing greater density, providing tax incentives for homeowners renting out rooms, providing tax incentives for renters who rent with a roommate.

Please vote NO on HB 2004-A. It's not the solution. It's bad for Oregon.

Thank you,
Janel Page