

Rosenberg Corey

From: Sylvia Benner <smartinabenner@gmail.com>
Sent: Thursday, May 04, 2017 5:56 PM
To: SHS Exhibits
Subject: HB2004

To the Senate Committee on Human Services:

My name is Sylvia Benner. I have been a resident of Portland for 28 years and my husband and I are relatively new small landlords.

I am writing today to urge you to reject HB2004.

Our units rent below market rates and our rent increases are small because good tenants are not to be taken for granted, and we want the good tenants we have to stay. We operate on a very tight margin because we want to stay on top of repairs, provide safe, clean, pleasant housing units and because we value our relationships with our tenants. However, depending on what repairs and upgrades will be necessary in the future, or what happens to taxes and a number of other costs that are out of our control, we need the flexibility to adjust rents, should the need arise. This property is our retirement, and we have committed significant resources to a modest retirement plan that now seems in jeopardy. We neither created the housing crisis in Portland, nor are we taking advantage of it. We feel that we are asked to bear additional costs and insecurity because a minority of landlords have acted in ignorance or bad faith.

More important than our own situation is the fact that rent control is a common example in economics textbooks about why price controls have more bad than good consequences. There is broad consensus among economists all across the political landscape that rent control is not a good policy. I fear that rent control would make the housing situation in Oregon, and in Portland specifically, worse, because it removes incentives for housing creation just at the time when the building boom is beginning to ease pressure on the market and vacancy rates are starting to tick up a little. By all means, let us find ways to bring relief to those affected in the short term, but let us also realize that this is a temporary problem that will resolve with more housing – unless we do something now to create disincentives to housing creation. Rent control will likely cement rather than solve our problems, and Oregon should hold firm against policies that are not based on the best available data.

The prohibition against no-cause evictions in most cases, combined with the relocation assistance, is also problematic. We have had bad tenants, and while we had grounds for a for-cause eviction, we opted for a no-cause termination because there was a child involved, and we wanted to make the move-out less disruptive for him than a for-cause eviction would have been, and make the process less adversarial. Had HB2004 been in place, it would have prevented us from doing so, and we would have had no option but a for-cause termination.

This particular element of the bill, already the law in Portland, means that we have to be even more careful to make sure prospective tenants will pay their rent as agreed, not engage in criminal activity, and not pose a danger to our property and their neighbors. We need to use stricter rental criteria, do more screening and begin to charge higher fees for more in-depth reviews. The stakes for us in letting in a bad tenant are now enormous because there are fewer options for correcting a bad tenant selection. We are less likely to take a risk on someone who was in trouble in the past and is looking for a chance. We need to select tenants more defensively because we have no low-conflict escape hatch if something goes wrong. The same is true for other landlords. All those measures we have to take – requiring higher income to rent ratios, higher screening fees, a better rental and conduct history – erect additional barriers to housing. In essence, this provision makes it easier for bad tenants to stay while making it harder for low-income tenants or people who do not have a spotless history to find housing in the first place. It helps the wrong people and makes it harder for the right people who most need help.

There are ways out of our current housing problems. Making it harder for small landlords and creating disincentives for housing creation is not one of them. Let's listen to expert consensus. Better approaches are already underway, and new ones under discussion. I would like to see us focus our efforts there.

Thank you for your time and attention.

Kind regards,

Sylvia Benner

3825 N Commercial Avenue

Unit A

Portland, OR 97227

Phone: [503-515-4409](tel:503-515-4409)

E-Mail: SMartinaBenner@gmail.com

Sylvia Benner

- Don't believe everything you think.