

Dear Senator Roblan,

Recently the Oregon House of Representatives passed HB2004 by a slim margin and the bill was passed on to the Senate. As the Senate is a more deliberative body, it is my hope that you may be able to take the time to fully consider all the negative impacts and unintended consequences this poorly cobbled together legislation may have on exactly those people who purportedly would be helped by this legislation. As a real estate broker and professional property manager, I am on the front lines of tenant/landlord interaction. No doubt, prudent legislation may be needed to protect some tenants against the actions of a few avaricious landlords in the larger cities, but the legislation proffered will only exacerbate the problem and create more problems than it solves. This bill will make matters much worse for tenants all around the state. In the past I have been able to issue warnings, remediate an untenable situation, or at worst issue a no cause notice to resolve a problem with a tenant without marking up their rental history or their credit. With this bill, I will have no alternative but to use for cause evictions for any infraction. That is not good for landlords. That is not good for tenants. That is not good for investors or developers. That is not good for legislators. That is not good for anyone.

Everyone with whom I have spoken with input to this conversation seems to agree that there is a lack of affordable housing in Oregon, and nationally too, for that matter. Many of the problems this poorly crafted legislation attempts to cure will only make matters worse, much worse. Instead, I would like to call your attention to [https://mmt.org/sites/default/files/inline-files/Cost-Efficiencies10\\_1\\_15.pdf](https://mmt.org/sites/default/files/inline-files/Cost-Efficiencies10_1_15.pdf) THE COST OF AFFORDABLE HOUSING DEVELOPMENT IN OREGON Meyer Memorial Trust COST EFFICIENCIES WORK GROUP FINAL REPORT October 2015.

It is clear from this excellent objective white paper, (the executive summary is only 4 pages,) that the problems of affordable housing in Oregon are complex and the solutions are even more complex. Indeed, when the authors of this report observed the problems and addressed the solutions in an objective, scientific manner, their conclusions have little or nothing to do with the emotionally driven legislation before your deliberative body. In the past, there had been a reasonable dialogue between tenants' rights groups and rental owners groups. It would appear that collaboration, that process to present an omnibus bill to the legislature has either broken down, or been circumvented. The consequences of this bill if passed will immediately shut off any new construction of rental housing in Oregon, period. Most of our rental property owners in Coos County are Mom and Pop owners. Many will sell their properties, in particular single family homes and those units will then be effectively removed from the rental pool.

Where there is adequate rental vacancy, the marketplace enforces reasonableness by all parties through the time tested mechanism of supply and demand; too much supply... prices come down, too much demand... prices go up. The bulk of the rental market problem around the state and around the country is a lack of rental housing. If this onerous bill passes, what developer or builder in their right mind would start a project in Oregon? This bill will have the immediate effect of reducing available rental housing around the state...and driving up prices yet again!

In addition to all the aforementioned problems which will be caused by this bill, the Jordan Cove LNG project looks likely to come to Oregon and especially Coos County. Although there is plan for a worker camp, many of the workers will be bringing families to the area. There is a deficiency of rental housing currently without an LNG project. What will be the impact when LNG comes? Rents, with this type of legislation and a reduction of available rental units, will shoot through the roof.

Although some of the legislators with high political aspirations may truly believe they are operating in the best interests of their constituency, time will prove them to have exacerbated an already difficult problem if this legislation passes.

As an example of the types of unintended consequences which will no doubt occur should this legislation pass through the senate without significant modification, I would like to share with you the results of my inspections of rental housing just yesterday. I inspect rental units (houses and apartment) at least once annually but usually twice a year. Of the 24 units I inspected yesterday, one tenant had removed the smoke detectors from two rooms, and two had removed the smoke detector from one room. The fourth had moved the smoke detector to the top of the refrigerator. Each of these violations could be handled in 4 ways.

- Evict for 'cause' as a smoke detector removal not only endangers the lives of the occupants of the unit in question, but any adjacent apartments. In addition there is a \$250.00 fine.
- Evict for 'no cause' with or without the \$250.00 fine.
- Fine only if the smoke detectors are not promptly replaced.
- Take no action other than to re-inspect to insure that the smoke alarm is replaced and in good working order.

This is just one typical example and there are many others. Obviously, if my hands are tied with foolish legislation designed to retaliate against a handful of Portland, Albany, Salem and Eugene landlords, and it becomes increasingly difficult to manage properties with the health and safety of residents paramount, I will be left with no other alternative than to evict for cause. FYI, I issued one fine, and will re-inspect all four units. What would that have looked like if my hands were tied?

Please vote NO!

**Herb Yussim, Realtor/Broker**  
**Oregon Bay Properties, LLC**  
**1992 Sherman Ave., North Bend, OR 97459**  
[Herb@OBPRE.com](mailto:Herb@OBPRE.com)  
[www.OregonBayProperties.com](http://www.OregonBayProperties.com)  
**Licensed in the State of Oregon**  
**Office (541) 808-2010 Cell (541) 290-0889**



*2015, 2016 President, Rental Owners Association of Southwestern Oregon*

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