

**From:**  
**To:** [Exhibits SHOUS](#)  
**Subject:** SB 608  
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Please consider this letter in opposition to SB608. My name is Dean Kaufman, and I live in Sen. Prozanski's district in rural Cottage Grove. I have been a member of the Oregon State Bar since 1969, with a career specialty in landlord-tenant law, starting with a stint at Lane County Legal Aid as a staff attorney, where I represented numerous tenants facing rent increases and evictions. I testified in favor of ORTLA before the '73 legislature, have had four op-eds published by the Eugene Register-Guard regarding landlord tenant law, and am presently in-house corporate counsel for Re/Max Integrity, with brokerage offices in Eugene, Medford, Grants Pass, Albany, Corvallis and Salem and Precision Capital, a Eugene mortgage banker/broker. While in private practice in Eugene, from 1973-2013, I represented the Lane County Housing Authority in landlord tenant matters, NEDCO [a non-profit devoted to economic development with an emphasis on housing], Eugene-Springfield Habitat for Humanity and many property managers and private landlords, as well as some tenants. Hopefully, as someone who has been concerned about housing affordability my entire career, you will give my voice some credence.

If you "tax" something, you will get less of it. Thus, the idea of a "carbon tax" to reduce emissions, and a "soda tax" to reduce consumption of sugary soft drinks. SB608 is a "tax" on rental housing, which will increase costs for landlords and developers and thus the cost of rental housing. It will have precisely the opposite effect intended, although it will "help" present tenants as shown by the 2018 Stanford study, by reducing their net rent over time, while creating a greater net rent increase for "new" tenants, as demonstrated clearly by the results of the Stanford study, the most recent and rigorous academic research on rent control [albeit in California only]. Depending on your source, somewhere between 95-98% of economists oppose rent control as counter-productive. They realize, as apparently the drafters of SB608 do, that capital will pursue the highest returns consistent with risk, and that by reducing the returns on capital with "one-size fits all" statewide rent control, you will reduce the amount invested in residential housing by the private sector. Unless you think the taxpayers are willing to make up the difference this will create by funding more public housing, and you think an increased percentage of public housing is a good thing [See Pruitt-Igoe, the current woes of the NYC Housing Authority, and the Soviet Union], SB608 will result in decreased housing supply for an increasing Oregon population. The "15 year" grace period purportedly addresses this problem. It is, however, "too clever by half". Many development loans are for a longer period and it will reduce funds available for development [bankers aren't stupid]; it will make the "cap-rate" for residential rentals less competitive with commercial development, or condominium, rather than residential, development [See Stanford study]; it is arbitrary and subject to legislative change [as is the 7% plus inflation cap]; and, like all central planning ["We will bury you"], it ultimately can't

compete with multitude of Oregonians making individual choices in their self-interest which propels our world-leading capitalist economy.

Likewise, the ban on no-cause evictions after the first 12 months of tenancy [“necessary” to keep “greedy” landlords from converting projects to condos] is insane. Landlords agonize about evicting tenants, because it costs them money. Not only is the unit vacant until re-rented, without cash-flow, but often repairs or upgrades are needed to lure a replacement tenant, while the existing tenant is willing to “live with” the status quo. In addition, there’s the “devil you know” vs. the “devil you don’t” factor, inhibiting “arbitrary” no-cause evictions. Except for a few well publicized cases, primarily in Portland, where sophisticated [i.e. aware of what the true market value of the housing will bring] landlords have engaged in mass evictions, the huge percentage of no-cause evictions are because the evicted tenants are driving other tenants away from the project with their noise, drug use or sale, or other intolerable behaviors, that are 1: Difficult to prove in an FED, particularly since judges tend to be sympathetic to tenants; and 2: can be “cured” under ORTLA by being on “best behavior” and not re-offending during the cure period [the 6 month tail is of some help here, but who wants to pay some high-priced lawyer to evict a tenant for cause, given all the current protections ORTLA affords such tenants, when a no-cause eviction is so much more certain and less likely to be contested.] The “protections” the tenant has against arbitrary eviction are noted above. Landlords don’t want to kill geese laying golden eggs, and incur the very real expense of doing so, unless there’s a darn good reason to do so.

Just as those questioning climate change are rightfully condemned as “science deniers”, and anecdotal evidence of cold weather episodes are scoffed at as an ignorant confabulation of weather with climate, I hope the Oregon legislature has the wisdom to acknowledge economic science and not “do something, even if it’s wrong”, because of a few anecdotes where tenants are evicted en masse in order to bring rents up to market. What this legislation will do, of course, is discourage “mom & pop” landlords, who may keep rents below market to keep good tenants, or out of ignorance of the actual worth of their rental asset, and encourage more professional property management [it is already virtually impossible for a non-professional to understand and comply with the 90 plus pages of ORTLA (compare with 2 pages regulating non-residential tenancies in Chapter 91, where the amount at stake is typically much larger)] and sophisticated large landlords.

If you wish for me to testify before the committee, please let me know.

Dean S. Kaufman