

Submitter: John Ayers

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure: SB611

To those concerned,

We are small time housing providers. My wife and I own two triplexes that we rent in the city of Portland. We also happen to be renters, we rent the home where our family lives because of the increased costs of homes in our area. As both small time housing providers and renters, we strongly oppose SB 611. We have seen what similar legislation has done in Portland. Good intentions have unintended consequences.

As small time housing providers renting older homes that require considerable upkeep, our margins are super thin but our hope is that one day, through hard work (we self perform all of the maintenance and administration) and a little luck, we might be able to retire at a reasonable age. The two triplexes we rent are a little different from many of the rental units available in Portland. Side by side, they create a small community with a cultivated garden and lots of shared amenities to encourage community. Over 15 years we have created a beautiful space for strangers to come together in that community. Of course, with "commons" come common responsibilities, and over the years we have articulated a series of rights and responsibilities within the lease to help keep everyone's interests and expectations aligned. People are reminded to clean up after themselves, treat others with kindness and respect, and to generally not be a jerk. Its worked pretty well and since 2006, we have had nearly 50 renters and still remain close friends with many of them.

After the Portland renter protection laws kicked in we got our first taste of a "bad actor" who essentially started an extortion campaign of outrageous and disrespectful behavior in an effort to be awarded damages. The law said she could not be evicted, she did not have to pay rent, and if we did "force" her to leave, we would owe her 3x the rent amount plus plus plus. Over the course of about a year she ran off an entire house of renters, each of whom were sad to leave the community but who could not stay while she rented there. So much power given to a person who had nothing to lose was a recipe for disaster. Finally, she was caught selling drugs out of the house and we had opportunity to file for eviction. She hired an attorney, pro-bono, and fabricated outrageous stories as a cover and offensive play. It was not until we started legal proceedings that we learned that she had also done this to her previous landlord. In the end we settled, essentially paid her a lot to go away, because we were told the risk of going to court was too great, we could lose everything. To this day she has a clean rental record, but at least we have our community back.

To be clear, I am a self described liberal. I have experienced bad landlords in my life and I believe in laws that hold us accountable for our actions. I also believe in the intentions behind the proposed bill, but good intentions do not make good law.

Housing providers need reasonable ability to evict challenging tenants with or without cause, especially small landlords in single family and community environments. Checks on potential landlord abuse are important, but as we have experienced, there are risks of perverse incentive with punitive awards. Additionally, many small landlords literally can't afford the risk of losing 3 months rent or more. The unintended impact of these laws creates a negative economic feedback loop where landlords are forced to either raise rents to cover high risk tenants or get out of the market. If we raise rents, it essentially means that good renters are forced to pay for for high risk renters, instead of society as a whole paying their fair share, which in turn exacerbates income inequality. If small time landlords are economically forced to exit the market, large institutional landlords will rush in to replace them, which in turn narrows the market, making it ripe for further abuse.

Please consider the potential negative impacts of SB 611