

**From:**  
**To:** [Exhibits SHOUS](#)  
**Subject:** Oregon Rent Control - please forward to all legislators  
**Date:** Tuesday, February 5, 2019 4:00:36 AM

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Rent Control is in the best financial interests of the Oregon taxpayer and reducing government spending. Please consider the following ECONOMIC arguments for rent control, and please distribute this email to the State legislators of Oregon.

The more that market rate rents go up, the following bad things happens:

- 1. Government spends more money for Section 8 subsidies** of non-market rate apartments. The amount that those landlords are entitled to is an equation, and it is based on market rate rents in the area.
- 2. More people need to rely on food stamps.** That costs taxpayers money.
- 3. More people become homeless.** There are economic costs to the taxpayer for the homeless programs, and for policing the tent cities notorious on the West Coast. We don't have tent cities in New Jersey. I don't want to sound insensitive to the homeless, but this email is focused entirely on taxpayer concerns.
- 4. More people wind up on Section 8 government subsidy,** one way or another. They simply can't make it on their own without government assistance. Keeping rents low also means more people can successfully exit the Section 8 program and become responsible and productive citizens
- 5. There is less consumer spending.** That means less tax revenue for the State of Oregon. People simply don't have the money for eating out, travel, entertainment, sports and hobbies, furniture, consumer electronics, automobiles, and more. It is literally the case that the rental housing industry is TAKING ALL THE MONEY from all other industries. If the rent control advocates were smart on this aspect (they are not because they are Socialists), they'd approach all the other industries and get their support for rent control.

6. As an extension of point #5, **less consumer spending means less economic growth. Less economic growth means less new jobs created.** All of this harms Oregon and reduces incoming tax revenue to the State. Essentially money is being sucked up by the landlords instead of powering the economic development of Oregon.

7. **Government salaries must rise, Causing taxes to rise.** Housing costs place an enormous upwards pressure on the salaries for government workers, many of which are renters. Salaries have to go up, and the taxpayers are slammed. True for cities, towns, and townships. True for counties. True for the State. And the higher the salaries go, the higher the pensions go. And when pensions go up, that costs even more taxpayer dollars for local, county, and State.

7. **Oregon becomes less competitive for business.** Higher rents mean that employers have to pay their workers more, and this tremendously deters businesses from wanting to relocate to Oregon, or open a major facility in your State. That business will instead go to a State with low-cost housing, perhaps in the South or Midwest. Some Oregon businesses may even leave Oregon, or when the time comes to expand, they will expand in a cheaper State instead of in Oregon. All of this is massively against the economic interests of Oregon and the taxpayers of Oregon. If you don't believe me, just talk to the owners of major businesses. They will confirm what I am saying, that keeping housing costs low is in their best interest.

8. **There are less people buying houses.** The real estate industry suffers because people are not able to save the money for deposit and closing costs on a house. Or their debt to income ratio is too high.

9. **There are more people are crunched by credit card debt.** The main cause of credit card debt is **eating**, it's not "irresponsible spending". People have to eat, and when there's no money because the rent is too high, people default to using credit cards.

10. **Crime rises.** Crime is largely dependent upon economics. When some people need money to pay the rent, they start stealing. It's all statistics. That is literally the case. Others subsidize their income with prostitution or drug dealing. Anyone with a degree in criminal justice will confirm the connection between crime and needing money. More crime means more police, more courts, more jails, and more of "the system". All of this costs taxpayers.

11. **Substance abuse and suicides rise.** Again, there is a statistical correlation to people's financial condition. Substance abuse causes more crime.

12. **Neighborhoods become unstable.** There is more turnover with high rents, and more people moving in and out. There are more kids coming and going from different schools, and that's unproductive for the public school system as well. And less people setting down roots in the neighborhood.

13. **More people abandon their support of capitalism.** The crushing cost of living is so high, and so many people are disaffected, that they are abandoning both the Republican Party and the Democratic Party. **That's your voters.** Just about all of the state legislators in Oregon are either Republicans or Democrats. And they are abandoning their basic belief in the legitimacy of our government and our capitalist system. Notice how many advocates of rent control come from third party movements? And notice how furious they are?

Not only am I **not** a Socialist, I don't hide the fact that I am a Republican. Yes, it is possible to be a Republican and to support rent control. Rent control is proven to be in the best economic interests of our society, and the taxpayers save money for multiple reasons.

Essentially, what rent control does is slightly shift the economic burden of housing for working class people from the government (taxpayer) to the landlords. On multiple levels, the government and taxpayers save money when rents are kept low.

Rent Control is not some radical fringe dream. It is absolutely for everyone. It's for Republicans, Democrats, and others. It's for men and women, and these days everyone in between. It's for the working class, the middle class, and the wealthy. It's for young single people, families with children, and the retired.

It's for your daughter fresh out of college, your brother struggling to buy a house, your sister just divorced and supporting 2 kids, your cousin or neighbor's kid hoping to overcome a substance abuse problem and trying to get on his two feet with a stable job, and your mother retired and living in a rental on a fixed income. Rent Control is for everyone.

The landlords will do just fine. We are literally living in the Golden Age of the Landlord. The landlords have NEVER been in a better economic condition. It is extremely and absolutely an immensely profitable industry. They are consuming the wealth of society at the expense of individuals and families, all other industries, and even government. If the pendulum swings back just a bit against them, they are still doing extremely well, it's just not their golden age.

I was part of the rent control movement in Newark, NJ, and the landlords cried doom and gloom when Newark upgraded it's rent control in 2014 from virtually nothing to the strongest ordinance in the United States. They said the landlords will go bankrupt and fix nothing. We laughed, as they collect rents and fix nothing anyway. They said the economy of Newark would suffer, but Newark immediately began to surge and boom like never it hasn't in 50 years. Spending is up, investment is up, building and investing is up. For the first time in 50 years, high rise apartment buildings are under construction. And a big part of the reason for Newark's new prosperity is that the tenants are more secure in their housing.

Currently, only NY, NJ, MD, CA, and the District of Columbia allow a city or town to have rent control. Oregon would be smart to pass legislation for Statewide rent control, which no State has. And in addition, to allow Portland and other cities to have more stringent rent control fit for local needs.

Be sure that rent control exempts new construction for 30 years, as that is the length of time for a construction mortgage. Otherwise, the banks won't lend money for new construction. Make the start period "30 years old", and **not any specific calendar year**. That way, in the future buildings recently built or yet to be built will fall under rent control as soon as the mortgage is paid off, which is 30 years.

Rent Control must allow a process for the owner to file a Hardship Application, typically to submit their accounting records and rent roll to a Board that hears the case, and could grant a larger rent increase. It should involve a CPA signing off on the application, otherwise they are typically fraudulent.

Local rent control typically exempts all units in owner-occupied 2, 3, and 4 family houses. Towns in NJ would never have the political consensus for rent control if owner-occupied multi-family houses were covered. Those owners would vote it down, or vote to weaken it in the future. Tenant advocates would never push for these to be covered, it's way too risky and would jeopardize all of rent control for the town.

Rent control works best for larger buildings, and for investment holdings that are not owner-occupied. It must come with stringent requirements for code enforcement, as these investors are typically bottom-feeders who just want to collect rent and fix nothing.

And be very careful about the loopholes the landlords want, and they will say are “standard” in the industry. Newark outlawed capital improvement surcharges, and it was held up in Superior Court. A responsible landlord budgets money and has a “replacement fund” bank account identical to that of a condo association. The costs to replace a roof or elevator are 100% his personal responsibility, and should never be passed on to a tenant.

If any legislators have any questions, I can be reached by email.

Thank you,

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