

Submitter: Carson Halley

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure: SB611

This bill is a poison pill for housing. If we want more housing, we need to make the cost cheaper, the process faster, and the flexibility of rent increases (or reductions) minimally impeded. This does none of those required elements, and creates a bigger prohibition for capital to make the investment in additional housing. We do not have enough public funds to supplant the amount of housing provided by private capital, and any one who states otherwise has not done the math.

If there is not enough income coming in to the property from rents, then there will be less money to complete maintenance on the property, and the housing will decay. But what about the owner borrowing against their property value? Rental housing is VALUED based on the income. If you limit the income, do not expect lenders to provide mortgages to upgrade the housing stock, as the rental income is stacked. We have already seen a reduction in housing being built, but this bill, if passed, will reduce the quality of the existing housing that we have and make renting more expensive overall.

Lastly, this policy is terrible for renters. Because each year rent increases are limited, landlords are forced to raise rents to the maximum, or fall behind an entire year. If tenants have terrible housing and their rents are 40% below market, they will camp on that housing because they are essentially trapped there. Why is this bad? Because an occupied unit effectively removes that unit from the supply of housing that is being turned over, and it distorts the effective supply of housing (it lowers the supply of available units to rent). The last rent control bill hurt housing significantly. The mom and pop owners had their ability to be a "nice" landlord ripped away from them by the legislature. Instead of having a good relationship with their residents and strategically offer below market rents to long term tenants (I know of some that were 50% below market in Portland before rent control was enacted), they now have to push those cheap rents up to the maximum every year since and are still not near market. Some of those tenants on fixed incomes were forced to move into other housing, which is a shame because the landlords would have kept them at the same rate if there were not rent controls enacted.

Please vote no on this bill, or have the rental housing market get even worse than it already is.

Carson Halley