March 1, 2017

RE: HB 2004

Dear Committee Members,

I am writing this letter to share with you a personal story regarding the potential impact approving HB 2004.

LaPine, Oregon is Oregon's newest city and is a small town located 30 miles south of Bend. The LaPine community is very similar to a lot of small towns in Oregon in that there are not a lot of job opportunities or affordable housing options.

Over the past 10 years my wife and I at different times when they became for sale and we could afford it we purchased four properties which boarder one another in LaPine making up approximately 4.5 acres. We did so looking to develop something on the property in the future. The properties are now zoned commercial.

With the rental housing shortage we thought we should pursue building some affordable housing apartments on the property. At the risk of over extending ourselves we decided we would do so in phases beginning with approximately 24 apartments with a total build out of approximately 100 apartments. I then reached out to the LaPine city manager, Cory Misley, and the city planner, Tammy Wisco, to discuss the process and shared with them our vision. They were excited and thought it a great idea so we scheduled a second meeting and invited Kevin Holland, a builder and owner of Pineriver Homes, to a follow up discussion.

Now we find ourselves in an environment where the State of Oregon legislature and the Governor are seriously considering a dramatic change in how the rental industry operates, placing people like us in a position not wanting to take the steps to move forward with our affordable housing project. The proposed HB 2004 bill removes the incentive for us to undertake this risk. There is risk with any investments, but this bill does not only create more risk it makes providing housing a poor decision. If the committee really wants to do something positive for affordable housing this bill is not the answer.

This reminds me of the movie with Julia Roberts –Erin Brockovich – where the opposing attorney is saying there is nothing wrong with the water and that her corporate client did not contaminate it. So Julia offers her a glass of water and as the attorney is about to take a drink Julia tells her that it has some of the water from one of the wells in question and the attorney slowly places the glass back on the table. Well we have approximately 4.5

acres of prime land for apartments in LaPine. Would you be interested in purchasing it and placing apartments on it with the passing of legislation HB 2004 or anything similar?

Thank you for you consideration and I ask you to really evaluate on how best to move forward to help solve the affordable housing crisis in Oregon. Housing bills like this are not the answer and will have a very negative impact with no positive outcome. Also please keep in mind Kate and I are only one of several parties who are currently having to reevaluate our decision to move forward for something like this.

Sincerely,

Mark Halvorsen

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