

Thank you Madam chair, committee members

My name is Terry Luelling my wife Melody and I live in Bend. We are to here to speak in opposition to house bill 2004.

We were both born and raised in bend, I was raised in the construction industry and have been a general contractor for over 25 years. My wife has been a licensed real-estate broker for 21 years as well as helped me build houses.

We have very long history in Oregon in that my ancestor's brought fruit trees to Oregon on the Oregon trail in a covered wagon in the 1850's and founded the fruit industry in Oregon. The Bing cherry was named by my ancestor's after grafting two different cherry trees together forming a new cherry and then naming it after their long time Chinese nurseryman whose name was Bing. They were founding members of the first city council in Milwaukie Oregon as well as the on the fair board of the first Oregon state fair. This is home to us, it's where we raised our kids and want to keep Oregon on top for many more generations.

20 years ago we built our first rental house. We had to start slow and build when we could afford it and in-between building spec houses.

We then started building and keeping a few duplexes on property we bought.

This is where it gets interesting. We built affordable housing (although we didn't call it that back then, it was just housing that everyday people could afford) but the term "Affordable housing" now has a very political, emotional and somewhat divisive meaning to it.

My wife and I had a basic business plan for our rentals back then. Build something that a couple working at say a grocery store and a gas station could afford to live in and be able to pay all the bills. I'm a hands on contractor where I run the equipment I pour the concrete I paint the building I do the carpentry, all the while not taking a dime in wages to keep our costs low. Our plan worked for a number of years. For the last ten years it's no longer feasible to build rentals because of several issues but all related to one thing, government intervention and government inaction on allowing enough buildable land in the urban growth boundary. Costs for permits and SDC's have skyrocketed, lack of buildable lots/land have caused prices to soar (through the basic laws of supply and demand), plus numerous new laws and code changes. Couple all that together and it's a money losing business to try to build rental properties. How simple is that?

As you know, by state land use laws each city/urban area is required to have a 20 year supply of buildable land in front of them. Twelve years ago the city of Bend applied to the State of Oregon for an urban growth boundary expansion because they were not complying with the law. After much back and forth and feet dragging (and 12 long years) we got a small expansion. Unfortunately it's too little too late. A pretty bad crisis has emerged in lack of housing, mainly for rent but even for sale (inventory is under 2 months supply)

Here's the good news. We have a plan to fix it. We would love working out the details with the/a committee in the immediate future. It would involve the legislature and a large private sector group of builders, contractors, investors, and entrepreneurs from all over the state. On the government side it first involves declaring that we have an emergency so you can get rid of some red tape. Then by doing that, we get some leeway and things would happen fast and would be amazing to see happen. We would have affordable housing again, rents would flatten or even go down (because when you introduce competition that's what always happens) everyone in the state capitol would be hero's to thousands of Oregonians. Businesses would flourish employment would be very strong.

As for house bill 2004 sorry it doesn't help anything or anybody. It might make a few people feel good for a week or two but does not do one thing to fix the big picture mess we are in. Frivolous regulation on landlords only creates less landlords when we need hundreds of new ones and thousands of new units to help with this crisis. Same goes for the HB for rent control and any other bill that tries to punish landlords but ends up only hurting and oppressing renters.

We have built affordable housing before it was cool. We know exactly how to do it and have 26 rental units with great tenants that are happy, respected and living in well maintained units (I could supply you with phone numbers of our tenants if you would like to do a random sampling to check my story). Over 80% of our units still are by definition "affordable housing" to those living in the 80 th percentile of AMI. We did this without 1 dime of government money, in fact a few of our buildings we built, we had to pay an affordable housing fee to the city of Bend in our permit so we could go build affordable housing. Go figure.

In closing, my wife and I are the people that are at the true street level of this mess. The things we are talking about are not some theories from a tenured professor with no work experience. We have actually done this, built this and continue to own and maintain what we are proposing to you here. We are hard working, been there done that, let's conquer the world and make it a better place, kind of people.

So ... we'll go put together some very ambitious people who are raring and ready to go. You guys vote the bills down and let's get to work. It will be very exciting.

Call us soon and thank you for your time.

Terry and Melody Luelling

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