

Here is my written testimony from last night's hearing on HB 2004.

## Testimony on HB 2004

March 2, 2017

Good evening. I am Malcolm McIver, President of Commerce Properties. Our company owns and manages apartments in Portland, Beaverton and Tigard. Thank you very much for the chance to speak this evening on this very important issue.

As I have listened to testimony tonight, I have been struck by how much both sides agree. The supporters of HB 2004 have made very good points. People should not have to live in poorly-maintained apartments. Having a housing shortage that drives big rent increases is terrible. It hits hardest those who can least afford it. It is a crisis and we need to solve it.

The problem is that HB 2004 would just make the crisis worse. By allowing rent control, it deprives property owners of the money they need to maintain their rentals and represses the creation of new housing. This is why Oregon banned rent control 30 years ago. By eliminating no-cause terminations, it makes property owners less willing to rent to people with mediocre or no rental history. By imposing relocation charges, it increases the cost and risk of renting your property, making people less willing to do so.

I was struck by the speaker from Albany who said that an acre of farm land is valued at \$7,500, while an acre of land for housing is valued at \$350,000. That just shows how scarce and costly land for housing has become. Why are we setting aside land to grow grass seed when we have a crying need to house people? It is not right.

I agree with the young man from Jackson County that it is time for the Legislature to act. While HB 2004 is not the answer, here are some steps that would address the root causes of Oregon's housing crisis:

1. Declare an emergency that requires municipalities to significantly expand their Urban Growth Boundaries. Seeing the human cost of housing shortages, it is a crime to be setting aside prime housing land to grow low value farm products.
2. Demand that municipalities link development charges to actual costs, instead of using them as a piggybank to fund pet projects.
3. Ban taxes on construction. They raise costs and discourage new housing development.

Thank you for all the work you do in Salem and for your time tonight.

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