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Via PDF Upload

Senate Housing & Development Committee  
Oregon State

Re: SB – 282-1

Dear Senators:

I oppose this bill for several reasons. We own and operate MarketPlace Apartments in Fairview Village, Fairview Oregon. We built this project ourselves and have operated it for over 15 years as a small multi-family project in east Multnomah County. We love the community and have provided great housing but these measures are a disincentive for us to invest into more Multi-family housing in Oregon.

Through the COVID-19 pandemic we have had to provide free housing to two tenants who did not lose their jobs due to COVID-19. They have taken advantage of COVID-19 to not pay rent recognizing that when the eviction moratorium would end, they would simply vacate the premises. In a sense we have been forced by the state to provide free housing.

We still paid over \$16,000 of property taxes to Multnomah County plus over \$12,000 in water/sewer invoices from the City of Fairview. All of our expenses continued but our rights to evict have been forestalled by the state. We are hoping to get a partial reimbursement from the Landlord Compensation fund but is too underfunded to repay landlords like us for providing free housing plus all the related expenses.

One tenant moved out recently to get a job in a state where economy is more robust. The other tenant has not paid since February and has signaled it will not pay until evicted. The tenant is cagey enough to realize the state has guaranteed free housing until July 2021.

The proposed extension does not solve the problem it merely continues to burden landlords.

The problem is none of these tenants who are 16 months in arrears will ever be able to catch up regardless of the grace period. The extensions require nothing from the tenant other than a statement they will get caught up. If the extension required the owed funds to be paid equally across a 6-month period that would make sense. If a payment was not made then the tenant would be out of contract. As it is now all the state has done has invited tenants to claim they will get caught up and then skip out at the end of the grace period. Extending the grace period just means more free rent and more burden on the landlords.

It is also unfair to not allow landlords to measure the true credit of a tenant. If this goes through it is more beneficial for me to leave the units vacant for 3-4 months than to take in a tenant that recently skipped out on another landlord.

Lastly, we are trying to raise funds for another small project in East County. Despite significant equity in the project; permits in place we are experiencing difficulty in bringing money into Oregon. The big problem is investors simply do not trust the state. They would rather invest in multi-family in states where there is no evidence of state's interfering in real estate contracts. Unfortunately, we are surrounded by more robust states who have not interfered between tenants and property owners. You have heard the saying "capital has wings". I believe these types of measures will make it very hard for the smaller developments to raise money because we do not have the connections or horsepower of the big real estate funds that can handle these issues without as much impact on the bottom line. If investors are unwilling to invest in Oregon the existing housing shortage will only become more extreme. Small developers and small projects are important outside of the Portland metro area since smaller cities do not draw the attention of large project developers.

Thank you very much for your time.

Garth Everhart  
MPA LLC - Manager