



MULTIFAMILY NW
The Association Promoting Quality Rental Housing

To: Chair Keny-Guyer and Members of the House Committee on Human Services and Housing

From: Deborah Imse, Executive Director, Multifamily NW

Date: February 11, 2019

Re: Please Support House Bill 2001

Multifamily NW's members provide Oregonians with more than 250,000 rental homes statewide, making us the largest rental provider group in Oregon. We are an independent organization representing rental providers of all sizes, including many who operate affordable housing. Our members include property owners, managers, and vendors, and our industry supports thousands of jobs throughout the state.

We have been in the rental business a long time. And we know that housing in Oregon has become less and less affordable over the last 20-25 years.

But the rising cost of housing is a symptom. It isn't the disease.

People have been moving to Oregon at an unprecedented rate. And yet, Oregon has been slow to build homes for these newcomers. According to a 2018 report by Up For Growth and ECONorthwest, from 2000 to 2015, Oregon built 155,000 fewer homes than it needed. The report states, "This underproduction has created a supply and demand imbalance that is reflected in the housing and homelessness crisis playing out across the state."

The reasons for low housing supply in Oregon include:

- A recession that stifled construction for several years.
- The fact that building new rental homes in Oregon, especially in the Portland Metro Area, is a complex, costly, and lengthy process. And the fees and requirements associated with new buildings are increasing all the time.
- The price of land and construction continue to increase significantly throughout the state.
- And finally, local organizations like neighborhood associations often block new multi-family units.

We appreciate efforts by Speaker Kotek and other legislators to try to address the problem. We think efforts like rent control or rent stabilization are bad public policy, and the research clearly shows that rent stabilization has never worked as intended in any market where it's been introduced.

However, efforts to increase supply will help address the housing shortage and help make housing more affordable in Oregon. HB 2001 is a start. By eliminating the restrictions on multi-family zoning in communities and cities throughout the state, we can continue to build houses and increase density in existing neighborhoods. This reduces infrastructure costs to local governments, and is a strategy endorsed by Up for Growth and Smart Growth Oregon.

By itself, HB 2001 will not create enough supply to solve the housing shortage in Oregon. But it will help.