

Submitter: Deborah Imse

On Behalf Of:

Committee: House Committee On Housing and Homelessness

Measure: HB2889

Dear Chair Dexter, Vice Chair Helfrich, Vice Chair Gamba, and members of the Housing and Homeless Committee, Multifamily NW is the largest association of housing providers in the state, with more than 1,000 members collectively managing more than 275,000 units throughout Oregon and southwest Washington. The purpose of my letter today is to highlight our disappointment in the timeline deliverables for housing production outlined in HB 2889 -1 will not produce meaningful housing supply for the next 2-5 years. Since 2019, agencies and stakeholders have worked on developing these housing production goals. While several of these strategies are noteworthy and provide pathways for developing specific housing, HB 2889-1 falls short in developing immediate strategies that, for example, maintain existing affordable housing stock, nor does it prioritize rapid permitting housing products that meet HB 2889 -1 income and demographic targets. The failure of the legislation to tackle these two areas while the rest of the weight of the bill gets up and running is frustrating and demoralizing. Last week, we provided written testimony outlining our primary concern with the bill. Namely, there needs to be clear and objective expectations for jurisdictions to reduce the amount of process and time to permit new housing. Identifying barriers to housing development coupled with accountability measures when jurisdictions don't comply to the prescribed timelines doesn't equate to attracting financial investment nor reducing permitting times for housing development. To highlight the importance of the need for defining strategies that increase rapid permitting, I suggest the members of the committee review the Johnson Economic analysis also posted for review and consideration. The report evaluates the permitting time for construction of multifamily housing in five cities: Portland, Vancouver, Gresham, Happy Valley, and Beaverton. Mr. Johnson's research concluded that Portland has the slowest times for permit issuance, averaging 303 days from the initial date of application since 2001. Even more upsetting--Portland's turnaround time in the last couple years was approximately 500 days from initial permit issuance. It only takes Happy Valley 185 days to issue a permit.

Two years ago, the Urban Institute's report on "Emerging Trends in Real Estate" noted the shocking decline of Portland's favorability. The City was previously ranked the third most desirable real estate market in 2017 and as of 2021, ranked 66 out of 80 cities. At the time of the report, the City of Portland responded to the concerns raised by several business groups, including Multifamily NW, by reducing the number of staff needed to permit and plan for new development. The third area where HB 2889-1 remains disappointing is the analysis of rent affordability. The affordability of rent is determined by the supply of available homes and whether or not that supply provides housing products that are suitable to enough income ranges that allow for

individuals and families to migrate. Rent “affordability” determined by a local government, does the following: it reduces the incentive of investors to build rental housing and it serves to disincentivize the maintenance of older housing products. In closing: the most significant way we can address housing affordability is to immediately, urgently, streamline the process and permit times for developing new housing. The second thing we need to do is to vociferously advocate for more down payment cash financing for owners of existing affordable housing, which would provide enough time to refinance those properties with layered subsidies ensuring residents of housing for years to come. Doing these two things in tandem, while HB 2889-1 comes online would go a long way towards addressing the under supply of housing in Oregon. Thank you, Deborah Imse