

Submitter: Scott Smith

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure: SB611

I am writing in opposition to SB 611; I believe it is the wrong direction for Oregon.

Developers and financiers of housing crave predictability. They have a long range outlook of 10-20 even 30 years for their planning.

Very recently Oregon enacted first in the nation laws for rent control and other shifts away from property ownership rights.

Developers, financiers and operators of rental housing have not fully adopted to the new reality of increased risk caused by these changes to Oregon laws. The changes suggested in SB 611 are not minor adjustments, they are substantial and will affect the costs and expected returns for housing providers for years and decades to come.

You may be thinking, GOOD! Developers, financiers and operators of rental housing are a bunch of fat cats that can stand to lose money; so who cares, let them eat cake!

But consider that it is an established fact on both sides of the aisle that Oregon lacks enough housing. Further, Oregon is continuing to see an influx of immigrants from the south as well as potentially thousands more refugees from the war in Ukraine. Oregon needs more housing to be developed now and for the foreseeable future.

No problem, we have government housing authorities, private and charitable non-profits who will build housing.

But that is only one piece of the pie. Historically the vast majority of housing development has been undertaken by the private sector. Developers and financiers will put their efforts and money in areas with the most stability and predictable returns and operating rules. By making sweeping changes to laws that were already ground breaking a short time ago, Oregon will be signaling loud and clear to developers, financiers and housing operators that Oregon does not care about their needs and viewpoints.

Nowadays, with technological systems in place housing providers are not bound by geography. They can seek out and develop housing projects in whatever locality or state is most advantageous to them. They increasingly are not choosing first to create housing in Oregon as other states are more attractive.

Bottom line: SB 611 will exacerbate the housing supply crisis Oregon is already facing and make it worse.

Please vote NO on SB 611. It is the wrong direction for Oregon.