



MULTIFAMILY NW
The Association Promoting Quality Rental Housing

March 27, 2023

Oregon Senate Housing & Development Committee
900 Court Street
Salem, OR 97301

RE: Concerns with SB 611

Chair Jama, members of the committee,

Multifamily NW advocates for common sense public policy with one goal in mind: Keeping Oregonians housed. We believe that to do that, this Legislature must focus on providing permanent rent assistance to low-income Oregonians, ensuring that housing supply is aligned with our growing population, and creating a regulatory environment where housing providers can do what they do best – provide housing.

This Legislature has made meaningful progress already this session in stabilizing rental housing, and we have been fortunate to engage in those efforts. However, if SB 611 passes in any form, that work risks being undone.

Our primary concern is that this bill represents an enormous barrier to Governor Kotek’s goal of building 36,000 new units of housing each year. Further regulating how and when housing providers can increase rents, while slashing the 15-year new construction exemption, will not address the root cause of housing instability in this state. In fact, it will have an adverse effect.

Oregon is already in a startling housing deficit. Our state is underbuilt by roughly 111,000 units just to meet existing demand. Permit times for multifamily developments are averaging more than 400 days in the Portland-metro area, where the need remains the most urgent.

Layering on yet another tight new restriction on rents and narrowing the new construction exemption will only exacerbate the housing crisis by forcing investors and developers to do business in states that are more serious about relieving the pressure on the rental market.

I would like to echo the hundreds of housing providers that have submitted testimony into OLIS so far and reiterate that SB 611 is a huge step in the wrong direction that will lead us further away from our housing goals.

I also must point out that rent prices are influenced by many factors outside a housing providers’ control. Yet, the Legislature continues to pursue more control over rents, and disregards the real costs associated with any potential rent increase. Record inflation is impacting business owners and housing providers as much as it impacts renters; not to mention rising utility costs, insurance rates, prices of goods and services, payroll increases, and record-high local tax burdens.

If housing providers do not see any relief in the costs associated with providing housing, many – especially smaller owners – will certainly be forced to sell. This is especially true considering the provision in SB 611 to triple the relocation payment owed to a renter. In Portland, after the mandatory relocation assistance and other strict rent regulations were enacted by the city council in 2017, the city saw a 14% decrease in the availability of single-family rentals.

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Increasing our supply of rental housing also means preserving the existing stock. The Legislature must not continue to make it more expensive to own and operate desperately needed housing. I don't want the whole state to experience what Portland is experiencing.

Finally, Oregon's rent control law is only four years old. For three of those years, housing providers were subject to pandemic-era restrictions around eviction for nonpayment of rent that has led to many hundreds of thousands of dollars in lost income. While the pandemic has receded by several metrics, housing providers and renters are still feeling the impacts.

SB 608 was a first-in-the-nation law at the time, and the state would be wise to give that policy more time to work as intended. We are not advocating to dismantle our current rent control law. However, if rent caps are lowered even further, that impacts the ability of housing providers to make needed investments in their units, upgrade services, pay employees more competitive wages, and can lead to a host of other long-term problems as I have already outlined.

We certainly appreciate Chair Jama for seeking broad input on this proposal. However, we feel that with the desperate need to accelerate our rental housing production – and the host of other new regulations on housing providers that are under consideration at this time – any modification to Oregon's rent control law will not benefit Oregonians in the long-term. Multifamily NW is fully committed to helping this committee solve the housing crisis and we look forward to working closely with you throughout the rest of the session and beyond to make progress for our communities.

Respectfully,

Molly McGrew
Multifamily NW