



CARLA PROPERTIES, LTD.

March 20, 2023

Dear Chair Jama, Vice-Chair Anderson, Senate Committee Members,

My name is Jessie Dhillon, I have worked in the housing industry for 16 years in the Portland Metro. Prior to that I was a US Soldier for 3 years, and prior to that I did Accounting Work for 6 years. I have a Masters of Business Administration, and hold undergraduates in Management, Business Administration and Accounting.

The goal of the Oregon Governor, Tina Kotek, is building more housing. SB611 will directly result in impeding that goal. Investors will pull out of projects to build housing in the State of Oregon if they cannot meet target proforma rents. By limiting rent increases to 3% + CPI may result in \$0 increases, when CPI falls below 3%. This is not sustainable for a business to continue operating in the state of Oregon. Bankers, mortgage underwriters, developers, investors and housing builders will tell you the same thing: this is an unrealistic law that will stifle development and cause existing housing to become unmaintained.

I urge the committee to vote NO on this housing-reducing bill. Help Oregonians have affordable housing by STOP drafting and passing legislation that forces housing providers to increase prices.

You have the ability to make a positive change in Oregon, please use that opportunity for good that helps everyone, renters, housing owners, housing developers, housing voucher holders, housing voucher programs, housing providers. Work with us to come up with solutions that are proven, sustainable, and effective. Consult with industry leaders that know how to build housing and manage housing and we will share our opinions, just like I am today.

SB611 will cost housing prices to go up, production to go down, and long-term affordability of housing to continue in an unsustainable trajectory. I urge you to Vote No, today.

It is clear that Rent Control is NOT working in Portland, or around the state of Oregon. Most of our cities are growing unaffordable by the day. This bill would make things even worse and doesn't address the root cause of housing instability.

Housing Oregonians at the sole expense of those providing their housing is not sound public policy and is not a sustainable way to address housing instability. We need to focus on permanent rent assistance and increasing supply.

If the state wants to achieve the goal of 36,000 new housing units per year, we cannot pass this bill. More rent control will only disincentivize new development and ownership of rental units. This bill leads us further away from our housing goals.

SB 611 will drive small and large rental owners out of the market and hamstring much needed multifamily developments. Lack of housing supply makes it harder for businesses to grow, for local governments to have a solid tax base, and for Oregonians to stay in their own communities.

Rent prices are set by several factors like rising utility and insurance costs, inflation, increases in the cost of maintenance and payroll, and local tax burdens. All of these costs are only increasing.

Vote NO on SB 611.

I have submitted a 2004 study in the Portland Metro, if you want to make a difference in Oregon, I urge you to read the study, review the Metrics, and ask ourselves, have we met any of these goals, and why not?

Regards,



Jessie Dhillon
Vice President
Carla Properties, Ltd.

Appendix A

Timeline of legislative changes impacting how Housing Providers may do business.

- 2016 City of Portland Inclusionary Zoning
- 2017 City of Portland - Tenant Relocation (heavy regulation of no-cause eviction, cost \$2900 - \$4500) (penalty 3x monthly rent)
- 2019 SB 608 - Rent Control (7% + CPI) penalties 3x monthly rent
- 2019 SB 608 - No Cause Eviction Restrictions, cost 1 month rent, penalties 3x monthly rent
- 2019 SB 484 - Restrictions on Applicant Screening Fees
- 2019 SB 970 - Restrictions on Rental Screening Criteria
- 2020 City of Portland - FAIR Ordinance - Screening Restrictions (penalty 3x monthly rent)
- 2020 City of Portland - FAIR Ordinance - Security Deposit Restrictions (penalty 3x monthly rent)
- 2022 City of Portland - Adjusted Restrictions on FAIR Ordinance, Security Deposits, Screening

Sources: City of Portland Rental Housing Services Department; Oregon State Legislature

Appendix B

Portland Metro Market Monthly Rental Rates

	Studio	1 bed 1 bath	2 bed 1 bath	2 bed 2 bath	3 bedrooms
2013	827	823	818	1005	1120
2014	912	938	885	1120	1240
2015	1000	998	978	1207	1325
2016	1053	1094	1077	1310	1411
2017	1127	1173	1150	1409	1530
2018	1120	1230	1187	1463	1584
2019	1183	1293	1250	1588	1697
2020	1156	1309	1266	1588	1659
2021	1207	1381	1335	1728	1823
2022	1269	1464	1455	1820	2038

Source: Multifamily NW, annual Fall Apartment Report, Member Survey.

Appendix C

Housing insecurity in the City of Portland, according to the City of Portland, State of Housing Reports, 2016 – 2021.

City Regulated Housing Units & Production:

	Total City Regulated Rental Units	City Regulated Rental Unit Production
2014		86
2015		182
2016	13608	362
2017	13750	511
2018	14465	803
2019	14870	876
2020	16036	0
2021	16535	499

Appendix D

Housing unit delivery in the City of Portland, according to the City of Portland, State of Housing Reports, 2016 – 2021.

	<i>Multifamily</i> Permits	<i>Single</i> <i>Family</i> permits	Housing Stock Annual Unit Production <i>Single Family</i>	Housing Stock Annual Unit Production <i>Multifamily</i>
2002	1700	1300	1000	850
2003	3200	1450	1050	1050
2004	1800	1250	1150	2850
2005	2200	1450	1050	1600
2006	1900	1400	1050	3200
2007	2900	1400	1050	2400
2008	2200	750	1000	2900
2009	400	500	600	2400
2010	500	500	400	400
2011	900	500	400	500
2012	1900	650	400	1000
2013	2750	800	600	1400
2014	4200	900	700	3800
2015	4500	800	700	3700
2016	4100	950	700	4100
2017	8200	900	700	8250
2018	3400	900	600	3150
2019	2300	700	650	2200
2020	2300	600	500	2200

Appendix E

Homeless Population, City of Portland, according to the City of Portland, State of Housing Reports, 2016 – 2021.

Amount of Housing Bureau Budget, Millions	Year	Short Term Rental Assistance	Permanent Supportive Housing	Transitional Housing Units	Emergency & Winter Shelters	Total Unstable Housing (Short Term + Transitional + Emergency)	Population of City of Portland	% of population experiencing Unstable Housing
	2013	5560	2716	3306	3051	11917	610,254	2.0%
	2014	4814	2685	2897	3592	11303	620,975	1.8%
	2015	4062	3996	1910	4692	10664	631,945	1.7%
26.3	2016	5182	4214	1761	6900	13843	643,045	2.2%
29.8	2017	5016	4638	1594	8180	14790	648,176	2.3%
36.1	2018	5000	11000	2000	8000	15000	651,154	2.3%
37.2	2019	5000	12000	2000	6250	13250	654,378	2.0%
33.5	2020	5000	12500	2000	6000	13000	652,503	2.0%
40.7	2021						641,162	
32	2022						646,396	