

Submitter: Michael Nagy

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure: SB611

I am the Vice President of the Board of Oregon Smart Growth and the Managing Director for Wood Partners, a leading apartment development, construction and property management company with a local office in Portland, OR. I am writing to strongly oppose the modification to the new construction exemption contained in ORS 90.324 from 15 years to 3 years. The change initial rent control measure, passed just a few years ago, was thoughtful and deliberate in its new construction exemption period. 15 years represents the typical investment period for the initial development project financing. Drastically changing the risks of that initial development project financing will discourage and disqualify many large investors from providing that capital in Oregon, leading to a decrease in housing supply production. This will have the exact opposite effect of the objective intended. Simply put: Oregon needs more housing units and this measure will undoubtedly lead to the creation of fewer units. Please preserve the existing 15 year exemption for new construction.