

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 multifamily housing development company that has developed over 2500 units in Oregon over the past five years. I am opposed to the base bill and both -1 and -2 amendments. The simple message I have for you is that the only sustainable means of achieving affordable housing prices for Oregonians in the long term is to an abundance of housing units. Efforts to apply a cap to rent increases is a short term solution that is not effective and misses the underlying economic issues impacting housing costs. We heard the Oregon Law Center talk about moving Oregon closer towards California state housing law and I would simply point to the estimates that California has a housing unit deficit of between 3-4 million units. This is a deficit that the will likely never make up. The outcome? Californians are fleeing the state, and moving to lower housing cost states such as Texas and Arizona. Furthermore, any changes to the rent control measure passed in 2019 will only serve to prove investors concerns and hesitations towards Oregon correct, and will discourage and eliminate future investment. I can say unequivocally that none of the 2500 units that my company has developed in the past 5 years would have been built with SB611 in place. Despite the stories you've heard, actual average rent increases across the state are nowhere near the 14.6% maximum. In Portland 3.7%, Salem 4.1%, Eugene 3.5%, Bend 1.8%, Medford 3.6%. These figures are all from Costar, which is the most respected and data provider regarding rental rates in the nation. I know it seems counterintuitive, but the most effective way to ensure high housing costs for Oregonians for decades to come is to pass a bill like SB611. Please vote no on this bill and make the right decision to ensure affordable access to housing for decades to come.