



MULTIFAMILY NW

The Association Promoting Quality Rental Housing

Oregon Senate Committee on Housing and Development
900 Court St. NE
Salem Oregon 97301

RE: Concerns with SB 1521

February 5, 2026

Chair Pham, Vice Chair Anderson, Members of the Committee,

Thank you for the opportunity to provide testimony on SB 1521. Multifamily NW represents nearly 300,000 rental homes across Oregon and the professionals who own, operate, and maintain them. Our members are deeply engaged in housing development, financing, and long-term operations, and we share the Legislature's goal of expanding housing affordability.

SB 1521 limits the ability of cities and counties within the Portland metropolitan area to require affordable units in new multifamily housing unless local governments calculate and offset the financial impact on developers. While this framework is intended to create more predictability around inclusionary zoning policies and does appear to be an improvement over last year's bill, Multifamily NW has concerns with how the bill approaches long-term affordability requirements.

Although SB 1521 requires local governments to account for and mitigate the cost of inclusionary zoning mandates, there remains the potential misalignment between offset subsidies and covenant of affordability required under the bill. Multifamily NW has met with proponents of this legislation many times dating back to September 2024, and while we recognize the bill does a better job of ensuring developers are made whole by local jurisdictions, we have not seen substantial enough changes to warrant a change in position. Ten years of development offsets may help a project pencil during construction, but they do not address the financial realities of operating a building over multiple decades. For example, Portland requires a 99-year affordability covenant while providing financial support for only several years, placing the long-term burden on the eventual owner of property.

Housing providers must plan for long-term maintenance, capital repairs, insurance, taxes, and operating costs that extend well beyond the initial financing period. By pairing short-term subsidies with nearly perpetual affordability mandates, SB 1521 risks undermining the long-term viability of rental housing developments and discouraging new construction. Additionally, having an exceedingly long affordability covenant with a partial offset devalues the property and hinders the long-term viability of the building.

Multifamily NW could be neutral with thoughtful inclusionary zoning policies that balance affordability goals with financial feasibility. We believe there is an opportunity to better align affordability requirements with realistic subsidy durations and operational timelines, ensuring that projects remain viable over the long term and that housing supply continues to grow.

Oregon's housing crisis will not be solved by policies that make development more difficult or uncertain. We welcome the opportunity to work with lawmakers and stakeholders on approaches that support both affordability and housing production.

For these reasons, we respectfully urge the committee to oppose SB 1521.

Thank you for your time and consideration.

Sincerely,

Zach Lindahl
Director of Government Affairs
Multifamily NW