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March 18, 2025

Chair Pham, Vice Chair Anderson, and Members of the Senate Committee on Housing and Development,

My name is Kevin Cronin, and I am here on behalf of Housing Oregon, representing a diverse coalition of housing stakeholders, including community development organizations, homeless service providers, and homeownership advocates. We are here to express our strong support for SB 722 and to highlight why lowering the new construction exemption is critical to protecting tenants and preserving housing stability.

When I first reviewed this bill, I had concerns about how it might impact our members' ability to secure financing for housing projects. Many of these projects rely on a combination of Low-Income Housing Tax Credits, LIFT funding, and private debt. I did what any good lobbyist does, I reached out to our lending partners and mortgage holders to discuss the new construction exemption, and they assured me that adjusting the exemption period to year 7 would not pose a significant barrier to financing for our members' projects.

I also recall the challenges faced in 2022 at the Prescott Apartments, managed by Greystar, when Portland's Multiple Unit Limited Tax Exemption (MULTE) benefit was set to expire, resulting in rent increases of 50% or more for tenants. This abrupt transition from affordability covenants to market-rate rents has been a critical issue this committee has been working to address, as evidenced by previous legislative hearings on Senate Bills 31 and 32.

The current exemption period creates a scenario where cities invest significant staff capacity and resources into programs like MULTE and MUPTE to encourage local development, only to see mass displacement of residents when affordability protections expire. This undermines public trust in all housing programs and leaves vulnerable tenants without safeguards. By lowering the exemption period, we can prevent these outcomes and ensure a smoother transition for residents,

avoiding the kind of sudden and extreme rent hikes that destabilize communities.

Now, let me address why rent stabilization and the new construction exemption are intertwined in this bill. I'll share my personal story to illustrate the urgency of this issue.

I lived in a Greystar-managed apartment in Eugene. Greystar is America's largest landlord, publicly traded as a real estate investment trust, with a huge presence in Oregon. At the time, my building was in its eighth year and was not yet protected by rent stabilization. One December, as I was preparing for the holidays, I found a rent increase notice taped to my door. The notice included a multi-option lease renewal with some puzzling choices:

- A 6-month lease with a \$699 monthly increase.
- A 7-month lease with a \$629 monthly increase.
- An 8-month lease with a \$786 monthly increase.

Before my current role, I worked at my local housing authority and used to manage a Section 8 voucher caseload, so I've reviewed thousands of rent increases, including many from Greystar. This one was really weird.

Confused, I went to the property manager and asked if this was a mistake. They explained that the amounts were generated by new software and that rates were not negotiable. I ended up moving out and buying my current home. I had kept a photo of the notice because it felt so egregious. I had texted it to a friend in frustration, never imagining I'd one day include it in [written testimony on OLIS](#).

Six months ago, Oregon Attorney General Ellen Rosenblum joined a lawsuit alleging price-fixing by RealPage, a software company, and Greystar. It suddenly made sense why my rent increase was so arbitrary and excessive. Algorithms, not humans, were setting rents—a dystopian reality that prioritizes profit over people.

The lawsuit reveals that RealPage's software is used widely across Oregon. The Beaver state has at least two neighborhoods where subscription penetration exceeds 30% -Aloha/West Beaverton and Central Portland—totaling approximately 54,000 units. Internal documents and sworn testimony from RealPage and commercial landlords make it clear that their objective is to maximize rental pricing and profitability at the expense of renters.

For example:

- RealPage acknowledged that its software is aimed at maximizing prices for landlords, referring to its products as “driving every possible opportunity to increase price,” “avoid[ing] the race to the bottom in down markets,” and “a rising tide raises all ships.”

- A RealPage executive observed that its products help landlords avoid competing on the merits, noting that “there is a greater good in everybody succeeding versus essentially trying to compete against one another in a way that actually keeps the entire industry down.”
- One landlord commented, “I always liked this product because your algorithm uses proprietary data from other subscribers to suggest rents and terms. That’s classic price fixing.”

In closing, I want to quote U.S. Attorney General Merrick Garland on this issue: “Americans should not have to pay more in rent because a company has found a new way to scheme with landlords to break the law.”

Housing Oregon’s members have voted to support SB 722. We urge you to pass this bill and lower the new construction exemption period. This is an opportunity to protect tenants, restore public trust, and ensure that housing remains accessible to all Oregonians.

Thank you for your time and consideration.

Sincerely,
Kevin Cronin

Director of Policy & Advocacy
Housing Oregon