



SECURITY PROPERTIES

March 5, 2025

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

RE: Support for SB 49 -1

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

Good Afternoon, and thank you for the opportunity to testify on SB 49.

My name is Sarah Zahn and I'm the Managing Director of Development at Security Properties. We are an active multifamily developer and operator of over 1,000 multifamily units in Portland. I'm also the Chairperson of Oregon Smart Growth, a coalition of developers working to advance state and local policy to encourage dense, urban, walkable and economically and socially viable housing. Our group also represents a significant number of developers working with the Inclusionary Housing program in Portland.

I'm here today to testify in support of SB 49 and specifically in support of the proposed reforms to inclusionary housing (IZ) proposed in the bill. The two key provisions in the bill, requiring cities to periodically study their inclusionary housing program on a regular basis and to economically offset the affordability requirement, will support our local and state housing and affordability goals by allowing for periodic re-calibration of inclusionary housing programs in response to market conditions, and not create overly burdensome requirements on development that could hinder production and supply.

**To further elaborate, Oregon Smart Growth supports the IZ reform proposed in SB 49 because:**

- **It holds cities like Portland to the best practice of analyzing and calibrating the program on a regular schedule.**
  - Portland has promised to regularly study and calibrate its Inclusionary Housing program. But our experience in Portland illustrates that it's often too easy for cities to put off a promised study. SB 49 would ensure this important work happens, without having to rely on a pro-housing organization like Oregon Smart Growth to push for it.
  - We would prefer a shorter analysis cycle than six years. If six years is what ends up in SB 49, we would hope that cities would proactively launch an analysis sooner if IZ applications slow down, or there are other indicators that a city's program is out of balance.

- **It ensures IZ programs are properly calibrated, and affordability requirements fully funded.**
  - When IZ programs *aren't* fully funded, projects too often don't pencil and don't happen – further exacerbating our housing supply crisis. Or, we see more projects just under the threshold – aka, Portland's pre-recalibration trend of 19-unit buildings, which underutilized zoned capacity and are an unfortunate missed opportunity.
  - As we've seen in Portland, when IZ programs are calibrated and funded, there's greater interest in the program—and the goals of the program (more housing, and more affordable units) have a better chance of being met.
- **It maintains the 20 unit threshold for Portland, while allowing greater flexibility to smaller cities — provided they also fully fund their affordability requirements.**

Thank you again for the opportunity to provide my verbal and written testimony on this important bill.

Best Regards,

Sarah Zahn

Managing Director, Security Properties