



MULTIFAMILY NW

The Association Promoting Quality Rental Housing

March 14, 2023

Oregon House Committee on Housing & Homelessness
900 Court. St NE
Salem, OR 97301

RE: Concerns with HB 3237

Chair Dexter, members of the committee,

Multifamily NW is the largest association of housing providers in the state, with more than 1,000 members collectively managing more than 275,000 units throughout Oregon and southwest Washington. Our association advocates for common sense public policy with one goal in mind: Keeping Oregonians housed.

We believe that to do that, this Legislature must focus on providing permanent rent assistance to low-income Oregonians, ensuring that housing supply is aligned with our growing population, and creating a regulatory environment where housing providers can do what they do best – provide housing.

The City of Eugene recently tried to enact a citywide maximum on rental screening fees. Local housing providers successfully challenged that policy in Lane County Circuit Court, on the grounds that cities cannot preempt the state on this issue. HB 3237 would negate that legal precedent by allowing cities to establish maximums for screening fees, which is troubling on several fronts.

Our association's primary concern with this legislation is that it would open the door for potentially hundreds of different maximums based on municipality. For rental housing providers with units in different regions of the state, this creates a regulatory nightmare for them and for third-party screening companies. Layers of unnecessary regulation based on location will not incentivize investment in new rental housing, which is desperately needed throughout the state.

We are unaware of a state-mandated cap on an industry's overhead expenses regardless of their cost. Given that our state is in a declared housing emergency, it is problematic to enact an untested mandate on the rental housing industry at this critical moment.

Additionally, state law specifies that housing providers can only charge an amount that recoups the cost of processing an application. In other words, housing providers cannot make money by processing as many applications as possible. The maximum proposed in Eugene was \$10, which was at least three times lower than the cost of screening. If housing providers lose money on processing applications, that will lead to fewer applications processed and fewer Oregonians housed.

We appreciate the opportunity share these concerns with the committee and look forward to working with you and the entire Legislature to advance policies that will stabilize the rental housing industry.

Thank you,

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