



MULTIFAMILY NW

The Association Promoting Quality Rental Housing

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

EXECUTIVE DIRECTOR
Gary Fisher
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RE: Concerns with SB 49 -1

Feb. 28, 2025

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

On behalf of Multifamily NW, thank you for the opportunity to raise some concerns with the -1 amendment to SB 49, specifically as it relates to the inclusionary zoning elements.

Multifamily NW is the largest association of housing providers in the state, representing nearly 300,000 units and every profession related to the industry — from property managers and owners to landscapers, maintenance professionals and screening companies. Our top priority is to collaborate with public sector leaders to identify and implement proven solutions to Oregon's ongoing housing crisis.

While we share the goal of increasing multifamily housing production, this amendment does not address key issues necessary to ensure financial viability and encourage enough housing development.

The 10-unit threshold is too low and will discourage smaller projects that lack economies of scale. Raising it to 50 units would better support increased housing production. Additionally, the bill does not address the substantial costs associated with permitting fees, maintenance, and operations. A minimum 100% reduction in system development charges (SDCs) for each affordable unit, along with annual reimbursement for revenue losses, is necessary to offset these expenses.

The 99-year affordability requirement is excessive and discourages investment. A shorter timeframe of 10 years would encourage greater participation while still supporting affordability goals. Similarly, the existing 10-year tax abatement is insufficient to offset financial burdens. If the affordability period remains long, tax abatements should be extended to match it.

Finally, requiring prevailing wage on these projects significantly increases construction costs — by at least 20% — and further deters development. At a time when cost efficiency is critical, this requirement only exacerbates affordability challenges.

Oregon's housing shortage demands policies that encourage — not deter — multifamily development. SB 49-1 does not provide the necessary incentives to achieve our shared goals. We urge you to reconsider the bill's approach and work toward solutions that genuinely promote housing production.

Sincerely,

Zach Lindahl
Director of Government Affairs

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