



MULTIFAMILY NW

The Association Promoting Quality Rental Housing

June 21, 2023

Oregon House Rules Committee
900 Court Street, Suite 333
Salem, OR 97301

Chair Fahey, Vice Chair Kropf, members of the committee:

As the largest association of housing providers in the state, Multifamily NW represents more than 1,000 members that collectively provide more than 275,000 rental housing units to Oregonians. Our association advocates at all levels of government for common sense public policy with one goal in mind: To provide quality rental housing to as many people as possible.

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

This Legislature has made meaningful progress already this session in stabilizing rental housing, and we have been fortunate to engage in those efforts. However, if SB 611 passes in any form, that work risks being undone. While we can appreciate that the bill has been amended to address housing providers' initial concerns around increasing the relocation payment mandates and lowering the new construction exemptions, any hard cap on rent increases will lead us further away from our shared housing goals.

Even as amended, this bill represents an enormous barrier to Gov. Kotek's stated (and laudable) goal of building 36,000 new units of housing each year. But further regulating how and when housing providers can increase rents while ignoring the real expenses that drive rent increases will not solve the problem.

Oregon is already in a startling housing deficit – and, we already have a rent control law on the books. Rent is high because our state is underbuilt by roughly 111,000 units just to meet existing demand. Building projections in today's economic environment are flat through 2027 and permit times for multifamily developments are averaging more than 400 days in the Portland-metro area, where the need remains the most urgent.

We must build our way out of this problem, while providing rent assistance to those that need it right now. Layering on another unnecessarily tight new restriction on rents will only exacerbate the housing crisis by forcing investors and developers to do business in states that are more serious about relieving the pressure on the rental market.

Additionally, rent prices are influenced by many factors outside a housing providers' control. Yet, the Legislature is laser focused on capping rents and disregarding the real costs associated with any potential rent increase. Record inflation is impacting business owners and housing providers as much as it impacts renters; not to mention rising utility costs, insurance rates, prices of goods and services, payroll increases, and mounting local tax burdens that have vaulted Portland to the top of the list of highest-taxed jurisdictions in the country (behind only New York City).

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Increasing our supply of rental housing also means preserving the existing stock. The Legislature must not continue to make it more expensive to own and operate desperately needed housing. If housing providers do not see any relief in the costs associated with providing housing, many – especially smaller owners – will certainly be forced to sell. That is not housing stability.

Finally, Oregon's rent control law is only four years old. For three of those years, housing providers were subject to pandemic-era restrictions around eviction for nonpayment of rent that has led to many hundreds of thousands of dollars in lost income – with the state's plagued rent assistance program largely to blame. And although this Legislature has passed necessary investments in rent assistance this year, we are still waiting on an official audit of the prior program from the Secretary of State, which can shine a light on how our state agency can proceed more efficiently.

There is no disagreement that low-income Oregonians need assistance right now. Those efforts – including the Legislature's refreshing focus on housing production and new investments in a rent assistance program – will be minimized should SB 611 move forward in any form.

Our organization is fully committed to helping our elected leaders solve the housing crisis and we look forward to working closely with legislative leadership throughout the rest of the session and beyond to make progress for our communities.

Sincerely,

Deborah Imse
Executive Director
Multifamily NW