

Submitter: Patrick Gilligan
On Behalf Of:
Committee: Senate Committee On Housing and Development
Measure: SB611

LPC West is deeply invested in Oregon with a focus on Portland's urban core; we own and manage approximately 8,000,000 square feet in Oregon, including office, industrial and housing. We completed a 235 -unit apartment building last week. To date, we have continued to invest in Oregon, but headwinds like a difficult permitting climate and post-pandemic crime and homelessness struggles in Portland continue to make this harder and have led to us developing less housing than we want to in this region. It is critical that you not take steps to make this situation worse.

We urge the committee to vote no on SB 611. Housing production is an urgent issue for Oregon's leaders and Oregonians this year and SB 611 will hurt those efforts without producing meaningful gains toward affordable housing goals.

We strongly oppose reducing the new construction exemption period from 15 years to 3 years. This change will disincentivize housing production and investment and ultimately make the housing affordability crisis worse. It will put Oregon at a significant disadvantage as compared with peer markets. We, like many developers, have projects across the country and partner with institutional capital that requires certain return levels agree to invest in a project. Capital partners need certainty to invest and a change of this magnitude after only four years will lead to less available funds for development in Oregon. Our state will see less institutional investment and, as a consequence, less housing development if you enact this change.

We urge you to instead focus on policies that developers need to invest in new market rate and affordable housing construction, including tax incentives, streamlined permitting processes, and funding for affordable housing development - all of these strategies are being pursued. SB 611 will undercut these efforts and hurt housing production; it should not be adopted.

Patrick Gilligan
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