



February 18, 2019

House Human Services and Housing Committee
900 Court St., NE
Salem, OR 97303

Dear Chair Keny-Guyer, Vice Chairs Sanchez and Noble, and Members of the Committee,

Oregon Smart Growth (formerly Oregon LOCUS) is a coalition of developers, investors and allied professions committed to the feasible development of walkable, livable communities that are environmentally, socially and economically sustainable.

Oregon Smart Growth (OSG) appreciates the comprehensive approach the Speaker is taking to addressing the housing crisis through a variety of bills aimed at increasing the housing supply, reducing development barriers, expanding assistance to local jurisdictions, and providing more funding for deeply affordable housing and support services that the private sector simply cannot build.

OSG also recognizes that there are very real impacts on renters when there simply is not enough choice and availability of housing at an affordable price point. The challenge is that experience with prior rent regulation across the nation to-date has resulted in increased housing costs over the long run and reduced housing supply.

SB 608 provides a more measured approach to addressing concerns over extreme rent increases and renter stability during housing shortages than past efforts. OSG's past opposition to rent regulation bills has been driven by inadequate exemptions for new construction. It is critical that the 15-year exemption in SB 608 for new construction not be eroded now or in the future.

Any rent regulation applied to any part of the development/first sale cycle of new housing will diminish available financing for long-term buyers due to the increased inherent risk, thus reducing new housing development overall. The annual rent increase cap of 7% plus CPI must also be maintained to focus protections on extreme rent spikes and not overregulate the rental market, which will reduce the existing stock of rental housing.

OSG is neutral on SB 608, with the concerns stated above, as the legislature considers a comprehensive approach to providing enough safe, affordable, and convenient housing options in all our communities. OSG's position is predicated on *no reduction* in the new construction exemption or the annual 7% + CPI cap on rent increases.

Sincerely,

Gwenn A. Baldwin
Executive Director

President
Sam Rodriguez
Mill Creek Development

Vice President
Sarah Zahn
Urban Development Partners

Secretary/Treasurer
Tim O'Brien
Urban Asset Advisors

Board Members

Dennis Allen
Urban One

Doug Burgess
Holland Partner Group

Brian Fleener
OTAK

Kurtis Fusaro
Gerding Edlen Development

Matthew Goodman
Downtown Development Group

Jeremiah Jolicoeur
Alliance Residential Company

Noel Johnson
Cairn Pacific

Joel Kaplan
Oregon Law Group

Mike Kingsella
Up for Growth Action

Aaron Keeler
Greystar Real Estate Development

Dana Krawczuk
Stoel Rives

Michael Nagy
Wood Partners

Damian Uecker
Banner Bank

Christe White
Radler White Parks & Alexander LLP

Executive Director
Gwenn A. Baldwin
gbaldwin@oregonsmartgrowth.org