

Submitter: Greg Knakal

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure: SB611

My name is Greg Knakal and I live in Tualatin. I have worked in the rental housing industry for 25 years. Please vote NO on SB 611. The answer is to build more housing and fast! Expedite the permit process, incentive builders, rethink inclusionary zoning, and rehab current vacant city buildings for housing. The state needs at least 100,000 new units just house our current population. It's clear that rent control isn't working in Portland or around the state. Most of our cities are growing more unaffordable by the day. Housing providers and owners have expenses as well and we have to cover out costs too. Rent prices are set by several factors like rising utility and insurance costs, inflation, increases in the cost of maintenance and payroll, and local tax burdens. All of these costs are only increasing. For example, property insurance increased 10% this year, real estate taxes increased 3% this year, overall supplies to turnover units and complete work orders increased 15%, and utilities increased by an average of 10%. This bill will make things even worse and doesn't address the root cause of housing instability. Show me a state where rent control has worked? Housing Oregonians at the sole expense of those providing their housing is not sound public policy and is not a sustainable way to address housing instability. We need to focus on permanent rent assistance and increasing supply. If the state wants to achieve the goal of 36,000 new housing units per year, we cannot pass this bill. More rent control will only disincentivize new development and ownership of rental units. This bill leads us further away from our housing goals. SB 611 will drive small and large rental owners out of the market and hamstring much needed multifamily developments. I manage properties for a living but I am also a small housing provider owner and I provide 9 units of affordable housing in Oregon City. It is market rate but I keep rents reasonable as I don't want residents to move because it costs me more in turnover costs. Lack of housing supply makes it harder for businesses to grow, for local governments to have a solid tax base, and for Oregonians to stay in their own communities. We can work together to provide a better solution. Let's explore other models and other success stories like the one in Colorado where tax credits were given to investors who turned their current properties into tax credit properties. But more than anything we need more housing! If we had greater supply and less demand then housing providers would have no choice but to offer concessions and lower rent prices.