

Submitter: John Robinson

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure: SB611

I am a small General Contractor who is building workforce multifamily rental housing as an investment. I am doing this by borrowing money against my primary residence and securing construction loans. I am primarily building in Lincoln County near the coast where rental housing is non-existent and the need is great. The personal financial risk to bring more housing to the market is huge. First we had to deal with the pandemic and material shortages and exorbitant price increases. For instance a single sheet of OSB which had been \$12 rose to a high of \$66 each. Low interest rates were a benefit during this time but now rates have gone from 4% to 10% with no end in sight. Both of these issues are major cost impacts that I as a contractor and investor have absolutely no control over. These both contribute to the cost to build and the resulting rent that is required to make a project pencil out.

Add in the cost of various government permits, SDC fees, utility's, changes to building codes that increase costs- the list of regulations is endless. All brought by well-meaning government bureaucrats that have no actual knowledge of housing and no financial skin in the game.

Senate Bill 611 is not needed and will only increase the difficulty to build more rental housing. The bill will disincentivize new development and investment causing even higher rents on existing properties. While I object to everything in the bill, I am especially upset about the move from a 15-year exemption on new construction to 3 years. This will effectively shut down new private sector market rate workforce housing construction. The proposed rent cap of 8% is also absurd. Property taxes are raised 3% a year by government and currently the inflation rate has been 6% to 8%. I would love to have you explain how that math is supposed to work. Lastly, I object to the use of the emergency act. While housing may be considered to be an emergency, the use of this act is strictly meant to keep the measure from going to the voters. It's arrogance of state legislators who think they know best- and refuse to listen to their constituents. Shame on you!

Housing and rents are best regulated by the free market. It's simple supply and demand. If you actually want to help lower rents and increase the supply of housing then please do two things. First vote NO on Senate Bill 611. Second remove government red tape and regulation from housing. Place a temporary moratorium on SDC fees. Reduce government costs to build. In short do things that will actually encourage the construction of more housing. Stop forcing all the climate agenda garbage onto housing. I know it's asking a lot but basically stand back and get out of

the way!