



Community Development Partners

April 12, 2021

House Committee on Revenue

Re: Testimony in Support of HB 3364

Dear Chair Nathanson, Vice Chair Pham, Vice Chair Reschke, and members of the Committee:

My name is Jessica Woodruff, writing on behalf of Community Development Partners (CDP). CDP is a mission-driven social benefit corporation working to provide affordable housing solutions statewide. CDP has preserved affordable housing in Portland, Salem, Albany, and Corvallis and is working to preserve more homes.

CDP believes the wellbeing of every Oregonian begins at home. A stable home provides children with the foundation for success in school, maintains quality of life for people with disabilities, and provides a safe place for seniors to age.

Today, Oregon faces increasing risk of losing a substantial number of units that are affordable to Oregonians with low incomes. As publicly supported housing communities reach the end of their affordability periods, they can convert to market rate, putting tenants at risk of losing their longtime homes. Residents of publicly supported affordable housing communities - seniors, people with disabilities, and families with children - have few options in Oregon's private rental housing market.

Oregon needs additional tools and resources to help ensure that we do not lose our existing affordable homes. We must take every opportunity to keep these homes affordable for generations to come. HB 3364 would help keep existing publicly supported housing affordable by establishing a capital gains tax credit on the sale of multifamily affordable housing to a preservation focused housing provider.

A similar tax provision currently exists in statute. The capital gains tax exemption on sale of a manufactured home park to a resident co-operative or a mission focused nonprofit has helped encourage owners to sell to a buyer who will preserve the community. The exemption offers an attractive incentive to sellers, giving a competitive edge to mission-driven housing providers in a very aggressive market.

CDP negotiates and preserves affordable housing statewide, so we know that sellers are often trying to maximize their sales price while minimizing their long-term capital gains. Sellers can often get a higher price from a non-mission focused buyer so this tax incentive, although modest, would provide affordable housing providers a stronger foundation to negotiate and keep the property in the state's affordable inventory.

We respectfully urge you to vote in support of HB 3364 to create a simple and effective tool to preserve Oregon's affordable homes. Thank you for your consideration of this bill and for your service to Oregon.

Sincerely,

Jessica Woodruff

Director of Development