



Tuesday, January 24, 2022

Sheila Stiley, Board chair – NW Coastal Housing

Kymberly Horner, Vice-chair - Portland Community Reinvestment Inc.

Rachael Duke, Secretary - Community Partners for Affordable Housing

Kristy Rodriguez, Treasurer - Housing Authority of Malheur & Harney Counties

Trell Anderson – Northwest Housing Alternatives

David Brandt - Housing Works

Wakan Alferes - Homes for Good

Rita Grady – Polk CDC

Maria Elena Guerra - Farmworker Housing Development Corp

Nkenge Harmon Johnson – Urban League of Portland

Brad Ketch – Rockwood CDC & Community Dev. Corp. of Oregon

Erica Mills – NeighborWorks Umpqua

Shannon Vilhauer – Habitat for Humanity Oregon

Representative Maxine Dexter
Chair, House Housing and Homelessness Committee
900 Court St NE, H-283
Salem, OR 97301

Dear Chair Dexter and members of the Committee:

Housing Oregon endorses HB 2653 as a reasonable new tool and financial resource to preserve existing affordable housing in communities across Oregon and urges you to support the bill.

As the membership-based statewide association of affordable housing nonprofit developers committed to serving and supporting low-income Oregonians across the housing needs spectrum – from homeless to homeowner – Housing Oregon supports Network for Oregon Affordable Housing’s leadership on preservation efforts in our state.

This is an urgent issue as use restrictions on over 7,500 units of affordable housing in Oregon will end over the next 10 years and many of those properties may become unrestricted, market rate rental housing.

HB 2653 creates a new tax credit to incentivize private owners, who used state and federal resources to construct these units, to sell their property to an affordable housing provider who agrees to preserve its affordability for an additional 30 years. As mission-driven community-based nonprofits, many of our members are likely to maintain affordability far longer for these properties.

Absent creative new preservation tools, such as this tax credit, we will experience more properties transitioning to market, exposing low-income tenants, including seniors, families and individuals living with disabilities, with fewer housing options as owners are allowed to dramatically increase rents.

This is especially critical in rural communities where such existing affordable housing property may be the only rental property in that community. HB 2653 also addresses equity and racial justice concerns

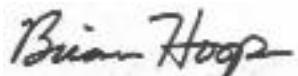
as the loss of existing affordable housing disproportionately impacts households of color as they rent and live in affordable housing at a higher rate than their percentage of the state population.

HB 2653 provides a very cost-effective voluntary subsidy program, capped at \$3 million dollars per year, that is a win-win to both sellers and the preservation buyer. Our members have reported multiple conversations with long-time owners who simply can't afford to sell their property without relief from capital gains taxes that would be due on sale.

The preservation developer will apply for the tax credit and use it in their negotiations with the seller providing a modest but effective incentive to encourage owners to sell their property rather than converting it to market rate housing. Once an expiring property has been acquired and stabilized, the new owner will have the time they need to assemble the financial resources required to fully recapitalize it for decades of continued service to the community.

Thank you very much for your consideration of our comments, and for your service to our state. You can reach me at 503-475-6056 or brian@housingoregon.org.

Sincerely,

A handwritten signature in black ink that reads "Brian Hoop". The signature is fluid and cursive, with "Brian" on top and "Hoop" below it, slightly overlapping.

Brian Hoop
Executive Director
Housing Oregon