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Public Hearing before the Senate Housing and Development Committee

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In Support of SB 1557

Chair Jama, Vice-Chair Anderson, and members of the committee:

On behalf of the Oregon Law Center, please accept this testimony in support of SB 1557, which would create a pilot program to prevent the displacement of low-income tenants living in affordable housing buildings in which affordability provisions have recently expired.

The Oregon Law Center (OLC) is a state-wide non-profit law firm whose mission is to achieve justice for low-income communities of Oregon by providing a full range of the highest quality civil legal services. Helping families maintain safe, stable housing is a critical part of our work. Housing is about much more than a roof over one's head; it is about opportunity, stability, and health. Without safe and stable housing, it is difficult or impossible for families to hold down a job, keep children in school, access neighborhood amenities, and stay healthy.

Publicly funded affordable housing plays an immense role in preserving the safety and stability of thousands of individuals, families, communities across the state. Affordable housing means home for children, seniors, people experiencing disabilities, and families. Affordable housing units are built using public subsidies and in exchange, provide affordable rents over a period of 30 or 60 years, depending on the underlying agreement. When the contractual use restrictions expire, many affordable units are lost to the private market, putting residents at risk of displacement into a tight and expensive surrounding housing market.

Recently, 2 affordable housing developments (one in Marion County and one in Washington County, totally nearly 400 units) originally financed with help from the federal Low Income Housing Tax Credit have reached the end of their use restrictions. While SB 608 (2019) protections against extreme rent spikes will apply to these newly private market units, the residents of these buildings have low and often fixed incomes that cannot sustain the allowed private market rate increases. Without passage of SB 1557, the residents of these units are at risk of displacement. In today's housing market, and without access to other assistance, these tenants are at risk of homelessness.

SB 1557 does not propose to limit rent increases after conversion of the buildings, but would rather establish a temporary pilot project, to provide a shallow rent subsidy designed to make up the difference between prior affordable rents and the new rents allowed after the conversion of

the building to market rate housing. The pilot is narrowly tailored to apply only to these two buildings where tenants are at most immediate risk. The bill would protect residents who lived in the building prior to its conversion, and who do not have access to any other forms of similar assistance. This pilot project sunsets in 2024, but will help prevent homelessness by ensuring greater stability for residents as they navigate wait lists for other forms of housing assistance and plan for their next steps.

In addition, the bill protects tenant stability over the two years after conversion to market rate housing in these two buildings by modestly increasing the sanctions if a landlord acts in violation of ORS 90.385 (retaliation protections). After expiration of affordability restrictions, market rate forces can sometimes incentivize termination so that units can turn over and reset rents to market rate. After a conversion, many vulnerable tenants experience the fear of retaliation and displacement, and are reluctant to assert habitability or other rights when necessary. Section 2(5) of the bill increases the sanction for retaliation violations should they occur against the low-income and particularly vulnerable tenants receiving assistance under the pilot.

Passage of SB 1557 will protect hundreds of low-income residents of Oregon – seniors living on fixed incomes, families with children, and people experiencing disabilities – from the fear of displacement into homelessness. To protect the safety and stability of these Oregonians, we urge your support.

Thank you to the bill's sponsors for their advocacy and leadership on this issue, and to the committee for your time and for your dedication to Oregonians.