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Testimony of Chair Deborah Kafoury

Chair Gelsler and members of the Senate Committee on Human Services and Early Childhood,

I write to express Multnomah County's support for SB 1533, which will give communities across Oregon the ability to leverage private housing investments to ensure that families and seniors can afford to live near jobs, groceries and medical care.

Having served in the Legislature, I know that many of you represent rural communities that continue to feel the pain of the Great Recession. And while the Portland region has seen great gains in employment during my term as Multnomah County Chair, we have also seen a growing gap between those who are able to afford a safe and stable home and those who cannot.

Over the past year Multnomah County, the cities of Portland and Gresham and the community partners that make up A Home For Everyone have dedicated unprecedented new dollars to housing the homeless and producing new affordable housing.

But the reality is that we don't have enough apartments to go around. Rents countywide jumped by double digits last year and vacancy rates hover around 3 percent. While private investment is projected to construct 4,500 new units next year regionwide, the vacancy rate is expected to remain flat or worsen.

The first wave of these rent increases struck central city neighborhoods, forcing many low-income renters, seniors and communities of color to move further east. And more than half of households who do find housing are paying more than 30 percent of their income to keep the lease.

Last month Metro released research showing that the Portland region has a shortage of 80,000 units affordable to people making 60 percent of the median family income or less.

Metro estimates that 70 percent of the affordable units in our region are privately owned and unsubsidized. These units are clustered in the neighborhoods that displaced low-income renters have found refuge from the housing crisis.

Many of these unsubsidized, affordable units are fine homes in strong communities. But others have been neglected and are in disrepair, often because tenants are terrified of speaking up about mold, vermin or lead paint because they fear a rent increase or a no-cause eviction.

But these older buildings are offering investors an opportunity to buy low, put on a new coat of paint and rent high. That means that these historically affordable, unsubsidized units are beginning to see large rent increases. In Troutdale and Gresham, vacancy rates are below 2 percent and in the Foster and Lents neighborhoods in outer Southeast Portland, rents for one bedroom apartments are up 11.2 percent.

Across our community, 2-bedroom apartments average between \$884-1220 per month, depending on neighborhood. A full-time worker making minimum wage earns \$1,603 per month before taxes; a parent with two children on TANF receives \$506 per month; and a disabled individual on SSI is receiving \$733.

Even clients receiving a Section 8 voucher are often rent-burdened. Our local housing authority Home Forward is working to increase payments but federal rules around voucher payments combined with dated federal data means subsidies range from \$832 to \$1,114 per month -- in many cases still short of what tenants need to secure an apartment.

In October, Portland made more than \$60 million available, including \$5 million from Multnomah County, to build over 600 units. But without the ability to leverage private investment in the market to bring more affordable units online, we will fall behind the growing demand for affordable housing.

That's why Multnomah County supports the passage of SB 1533. It will allow communities like mine, or Bend, or the communities along the Oregon Coast, to adopt inclusionary housing policies that will require up to 30 percent of new housing units be truly affordable.

Elsewhere these kinds of policies have become key parts of communitywide efforts to increase affordable housing and fight homelessness. But more importantly, I believe, these policies done right can help ensure that the destiny of our children isn't determined by their zip code.

Oregonians are proud of our high quality of life and our commitment to fairness. Major employers are moving to Portland and Bend and Eugene because their employees want to live here.

If we don't act now to address this housing crisis, we risk losing not only our competitive advantage over San Francisco or Seattle, but our own sense of place.