



**HOUSING
ALLIANCE**

www.OregonHousingAlliance.org

HB 4043
Creating Incentives for Preserving Housing Affordability
Feb. 8, 2016
House Committee on Revenue

Chair Barnhart and Members of the Committee

The Housing Alliance is a coalition of more than seventy organizations from all parts of the state. Our members have come together with the knowledge that housing opportunity is the base on which all of our success is built – individual success as students, parents, workers, and community members as well as the success of our communities. We represent a diverse set of voices from residents to local jurisdictions to non-profit housing developers and organizations working to meet basic needs in every corner of our state.

The Housing Alliance supports HB 4043. Oregon, as you have no doubt heard, is faced with a housing affordability crisis of enormous proportions. As a state, we need to take action on many fronts to create tools for local communities and organizations to use to create affordable housing options. HB 4043 is one such tool.

HB 4043 would create an exemption from capital gains tax for sales of privately owned market rate housing to local housing authorities or non-profit community development corporations. The capital gains tax cost impact to the state will be hard to quantify, as it will depend on many factors, including the total increase in price, the length of time the property was held, and the depreciation claimed by the seller. In addition, sellers today already often take advantage of 1031 exchanges upon sale of real estate in order to defer tax payments.

We do know that an exemption to the state capital gains tax could provide increased material benefit to sellers who agree to sell to a “qualified purchaser”. The benefit could create an incentive for sale of existing market rate housing to maintain the homes that exist now and to create long term affordability in our communities.

A similar exemption currently exists under Oregon tax code for the sale of manufactured housing communities to resident owned cooperatives, non-profit organizations and housing authorities. The exemption has served as a useful tool to motivate owners of manufactured housing communities to negotiate a sale to qualified purchasers committed to preserving these assets as affordable housing.

On behalf of the Housing Alliance, I urge your prompt consideration and support of HB 4043. Thank you for your service.

Sincerely,

A handwritten signature in black ink, appearing to read "Janet Byrd". The signature is fluid and cursive, with the first name being more prominent.

Janet Byrd
On Behalf of the Oregon Housing Alliance



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Housing Alliance Members

1000 Friends of Oregon
211info
A Home for Everyone Multnomah County
Alliance of Family & Housing Success
Asian Pacific American Network of Oregon
Bienestar
Bradley Angle
CASA of Oregon
Central City Concern
City of Eugene.
City of Portland
Clackamas County
Coalition of Communities of Color
Coalition of Community Health Clinics
Common Ground
Community Action Partnership of Oregon
Community Alliance of Tenants
Community Energy Project
Community Housing Fund
Community Partners for Affordable Housing
Cornerstone Community Housing
Ecumenical Ministries of Oregon
Enterprise Community Partners
Fair Housing Council of Oregon
Farmworker Housing Development Corporation
Habitat for Humanity of Oregon
Hacienda CDC
Coalition of Housing Advocates
Housing Development Center
Housing Works
Human Solutions
Impact Northwest
Immigrant & Refugee Community Organization
JOIN
Lane County Legal Aid and Advocacy Center
League of Women Voters of Oregon
Lincoln County
Metro
Momentum Alliance
NAYA Family Center
Neighborhood Economic Development Corp.
Neighborhood Partnerships
NeighborImpact
NeighborWorks Umpqua
Network for Oregon Affordable Housing
Northwest Housing Alternatives
Northwest Pilot Project
Open Door Counseling Center
Oregon AFSCME Local 3135
Oregon Center for Public Policy
Oregon Coalition on Housing & Homelessness
Oregon Council on Developmental Disabilities
Oregon Food Bank
Oregon Housing Authorities
Oregon Law Center
Oregon Opportunity Network
Partners for a Hunger-Free Oregon
Portland Community Reinvestment Initiatives, Inc.
Proud Ground
Raphael House
REACH CDC
St. Vincent de Paul of Lane County, Inc.
ShelterCare
Sisters of the Road
Sponsors, Inc.
Street Roots
Transition Projects
Urban League of Portland
Washington County
Welcome Home Coalition
Willamette Neighborhood Housing Services