



**Testimony in Support of SB 1533B
Before the Senate Committee On Finance and Revenue**

February 29th, 2016

Chair Williamson, Vice-Chairs Hoyle and Gilliam, and members of the Committee,

On behalf of the Oregon Law Center (OLC), thank you for the opportunity to submit testimony in support of Senate Bill 1533B. Passage of this bill will provide cities and counties with important new resources and tools to increase the supply of affordable housing in communities across the state.

OLC's mission is to achieve justice for low-income communities of Oregon by providing a full range of the highest quality civil legal services. One of the most important issues in the lives of our clients is the challenge to find and maintain safe, stable, affordable housing. Housing is about much more than a roof over one's head; it is about opportunity, stability, and health. Without stable housing, it is difficult or impossible for families to hold down a job, keep children in school, access neighborhood amenities, and stay healthy.

The evidence is clear that we are facing a statewide housing crisis. Oregon has some of the lowest rental vacancy rates in the nation, and some of the highest rent burdens. Portland recently had a vacancy rate of under 3%, but it's as bad or worse in many rural areas. The Southern Oregon Rental Owners Association November 2015 newsletter reports vacancy rates below 3 percent in Southern Oregon. The vacancy rate is still hovering around 1% in Bend, and a December 2015 Oregonian article reports vacancy rates of under 1% on the Coast. We have reached a tipping point in this state. The market is upside down, and we need strong leadership in response.

SB 1533B will help communities in two critically important ways:

1. Allows local governments to require that a percentage of affordable housing be included in each new multifamily development of at least 20 homes, and to provide incentives for developers to voluntarily include greater amounts of affordability;
2. Enables local jurisdictions to pass a construction excise tax if they choose, in order to create resources for the development of affordable housing.

The language of the B-engrossed bill represents a compromise that has the support of many advocates as well as industry representatives. Passage of this bill will give local governments the tools they need now, to begin to right the extreme imbalance in supply and demand that is so negatively impacting Oregon families and communities. These tools will help Oregon do a better job creating a stable and affordable housing supply to prevent future crises. Without these protections, we risk losing the Oregon we know and love.

Thank you for the opportunity to testify.