



CITY OF
PORTLAND, OREGON
PORTLAND HOUSING BUREAU

Mayor Ted Wheeler
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Representative Phil Barnhart, Chair
House Committee on Revenue
900 Court Street, NE, Hearing Room E, Salem, OR 97301

RE: HB 2859

Dear Representative Barnhart and Members of the Committee:

Thank you for the opportunity to comment on HB 2859, which would establish and modify sunset dates for property tax exemptions. The Portland Housing Bureau has significant concerns about the provisions of the bill as introduced that would modify the current statutory sunset dates for housing tax exemption programs. The current statutory authorization for local multiple-unit, single-unit, and nonprofit corporation low income affordable housing limited tax exemption programs, for instance, are currently scheduled to expire in 2022, 2025, and 2027. However, HB 2859 would sunset the authorization for these critical affordable housing programs in 2020.

Oregon—and Portland—continue to experience a housing crisis. Portland currently implements the Nonprofit Corporation Low Income Affordable Housing program under the authorization of 307.540-.548, the Multiple-Unit Limited Tax Exemption program under the authorization in ORS 307.600-.637 and the Single-Unit Limited Tax Exemption program as authorized in ORS 307.651-307.687. The Multiple-Unit program is a key component to the inclusionary housing policy for new development recently adopted by City of Portland based on legislation approved in 2016. Changing the sunset for the Multiple-Unit program from 2022 to 2020 could lead to significant adverse effects on development activity due to reduced certainty in the ongoing authorization for the program and the inherent timelines involved in the land acquisition and development process. Similarly, the Legislature voted to extend statutory authorization for the Single-Unit program to 2025; HB 2859 as introduced would roll back that extension by five years, undermining certainty about the program.

We urge you not to move HB 2859 forward unless it is amended to remove the changes to the sunset dates for housing tax exemption programs. Certainty about the ongoing availability of these local tools is incredibly important as Portland and the state continue work to address the housing crisis. Thank you for consideration of these comments.

Sincerely,

Kurt Creager,
Director, Portland Housing Bureau