



Community And Shelter Assistance Corporation

20508 SW Roy Rogers Rd. Suite 155, Sherwood, OR 97140

Tel: 503-537-0319 Fax: 503-537-0558

www.CASAofOregon.org

**House Committee on Revenue
April 12, 2017
Hearing on HB 2879**

Testimony from Peter Hainley, Executive Director
Community and Shelter Assistance Corp. (CASA of Oregon)

Chair Barnhart and members of the Revenue Committee:

CASA of Oregon facilitates the preservation of affordable housing by assisting residents in manufactured home parks to form resident cooperatives to purchase, own and operate their communities as permanently affordable housing. Currently, manufactured park owners who choose to sell to non-profits, housing authorities or resident cooperatives are able to access a state capital gains tax exemption. In a real estate market where our resident cooperatives directly compete with private investors (who, unlike the residents, have time and money on their side), this exemption is extremely important. Without the exemption, it would be difficult (if not impossible) to compete with private investors.

We support HB 2879 because we have seen first-hand how a state capital gains tax exemption has promoted affordable housing preservation for Oregonians of limited means. We have worked with a number of manufactured home park owners who would not have sold their parks to residents if it weren't for the exemption. This is good public policy that incentivizes long-term retention of affordable housing.

Owners of multi-family rentals are often looking to minimize their long-term capital tax gains. By selling the housing to a non-profit or housing authority, HB 2879 gives these owners that incentive. More importantly, residents of these multi-family apartments will have an owner whose key mission is providing affordable housing rather than making a profit.

As an organization that promotes cooperative ownership, I would like to see an amendment that gives residents an opportunity to form a cooperative in order to compete to purchase these multi-family units. CASA has proven that when given the tools, residents will step up to the challenge to purchase and operate their housing units. I would ask the committee to include cooperatives as eligible purchasers.

We urge your support of HB 2879, amended to include cooperatives.

We thank you, as always, for your service to Oregon.

Kind Regards,

A handwritten signature in blue ink, appearing to read "Peter Hainley".

Peter Hainley
Executive Director