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Members of the Joint Committee On Ways and Means Subcommittee On Natural Resources

- Thank you for taking the time today to hear my testimony about HB 2007. Once I found out about the hearing on Tuesday night, I spent every waking hour writing, editing, and practicing for today.
- **I'm writing to ask if you would please honor me by watching the 4 and 1/2 minute presentation I made in preparation for my testimony today but wasn't able to deliver in its entirety...** I know that 4 1/2 minutes can be an eternity in "internet viewing years" and I also know how extremely busy each of you are. I very much appreciate that there was a hearing and that I was able to present some of it - I will be able to rest easier and feel like I have done right by those who were supporting and counting on me if I know that the rest of my message didn't fall into the void of the OLIS website where it won't be heard.

Here is a link to my video testimony, I have also attached the written version to this email.

<https://youtu.be/if1H1VP9XH8?list=PLdlmuScnZTEmQk3WvHrzOmQK1FOB5CXsr>



Oregon HB2007 6-22-17

- There have been people on both sides presumably speaking on behalf of renters. And yet, I haven't actually heard my voice represented in the conversation directly. I've been communicating with people who have direct access to legislators, who are having meetings and phone calls... and so I have had to settle for communicating by proxy, and hoping that someone takes at least a keyword with them into one of those meetings. **I'm grateful to have been able to finally speak for myself and to represent the group of people that everyone else is referring to and yet is rarely given a seat at the table.**

Thank you in advance for taking the time to listen to the rest of my testimony. And thank you again for the opportunity to speak in person today.

MK Hanson

Testimony before the Joint Ways and Means Committee on
HB 2007 As Amended

June 22, 2017

The Affordable Housing Crisis

Needs Assessment, Cause Analysis, and Solution Comparison

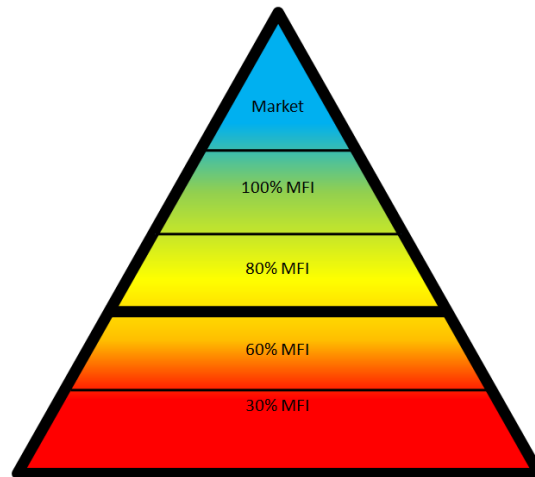


"The interests of Oregon for today and in the future must be protected from the grasping wastrels of the land. We must respect another truism - that unlimited and unregulated growth, leads inexorably to a lowered quality of life." - Tom McCall, Former Oregon Governor

By MK Hanson
Executive Director, DemandAffordability.org

NEED

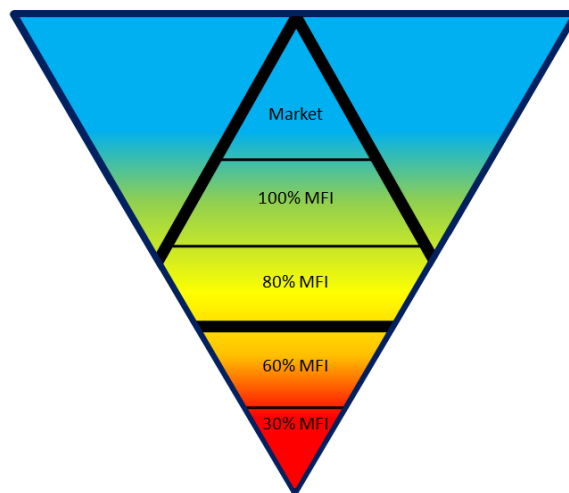
This is what Affordability with a capital A looks like - housing needs, constraints, and cost burden defined by the HUD standard of Affordability which is percentage of Median Family Income (MFI). This is very important to understand when we're talking about REAL affordability rather than RELATIVE to whatever the market will bear.



PROBLEM

There is no “housing crisis” there is only an “**affordable** housing crisis”.

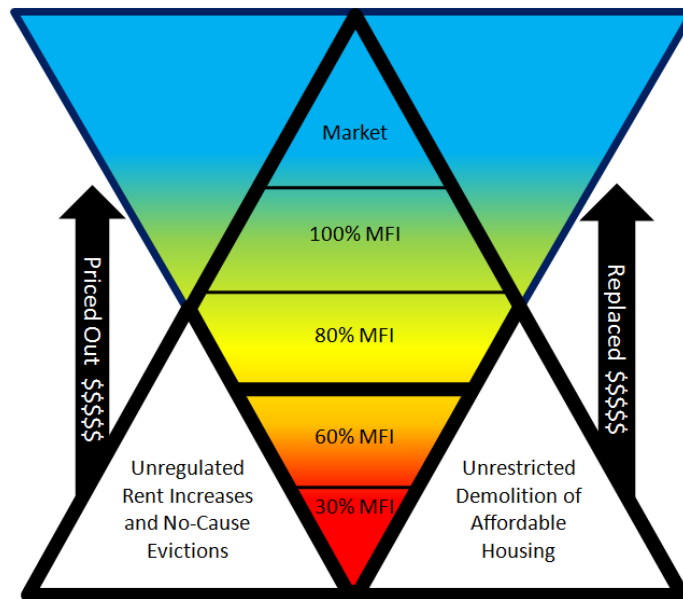
New construction is surpassing the need for market-rate housing and woefully failing to meet the need for lower-income supply. In fact, many luxury market-rate units are sitting vacant while an increasing number of people are being displaced, forced to live in their cars, or worse. The housing supply has been inverted by a market-rate housing boom.



ROOT-CAUSE

If the real name for the affordable housing crisis is “displacement”, then the real name for displacement is “injustice”.

Displacement caused by speculative Real Estate investment and gentrification are the cause of the lack of affordable housing supply - particularly where vacancy rates are low and rent increases and no-cause evictions are unregulated. When prices are raised to whatever the market will bear and demolition of affordable housing is unrestricted, lower income families are priced out and that affordable supply no longer exists. Meanwhile, the housing market bubble is yielding exorbitant rates of return for investors. Wall Street recently created rental-backed mortgage securities and is now also in the Landlord business.

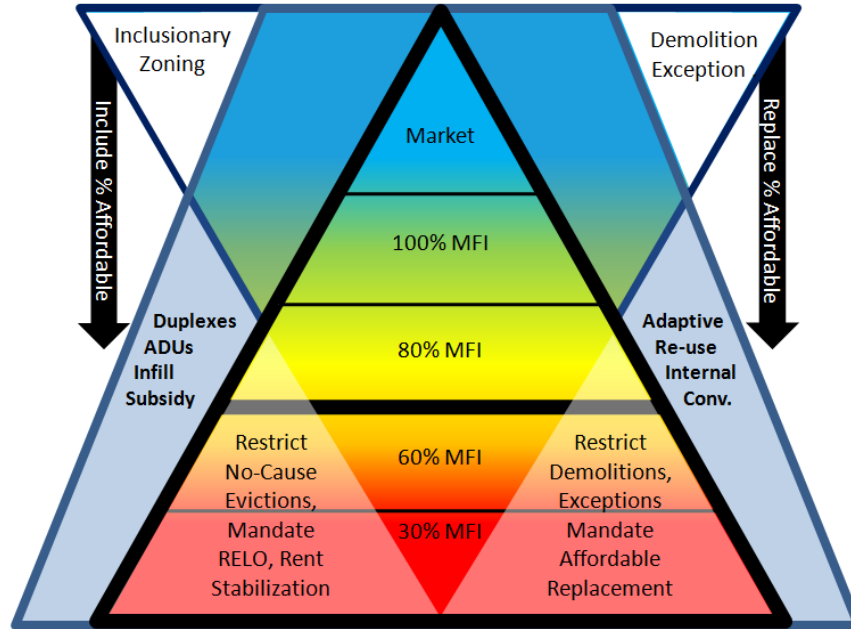


Market-rate housing does not “trickle-down” into Affordable housing. In fact, it can take up to 30 years for those units to attain some semblance of affordability - long after they've lost their luster - while displacement, homelessness, and suffering happens in real time, without the luxury of waiting it out.

Let this sink in for a moment... a speculative real estate gold-rush happening simultaneous to a crisis of affordable housing. To imply that one has no relation to the other, and that the current crisis is somehow caused by NIMBYism rather than the avarice of an over-inflated market is not only incorrect, it's disingenuous and dangerously misleading. Legislation which brings broad and dramatic change should be certain that it understands the root-case first. Otherwise it is particularly vulnerable to erring on the side of irrevocable harm and regret rather than careful consideration and concern.

SOLUTION

An equitable solution understands the root cause, mitigates displacement and mandates affordability to relieve the crisis rather than exacerbating and perpetuating it.



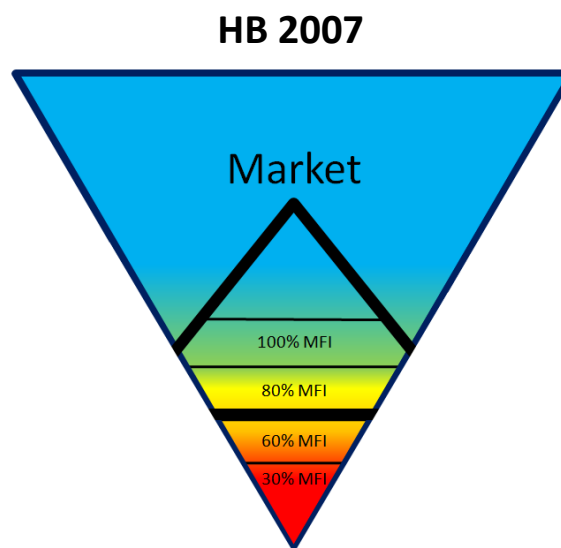
A balance of regulations, incentives, and demolition review is the solution that takes inverted supply and shapes it back into an envelope that meets the goal of providing housing for all income levels and requiring rather than merely requesting and hoping that development meets density and affordability goals.

HB 2007

House Bill 2007 is an attempt to further de-regulate the conditions that caused the crisis of affordability to begin with. It will accelerate, exacerbate, and perpetuate the root-cause and create even more pricing pressure by top-loading the market. It is what Naomi Klein refers to as “Disaster Capitalism”.

House Bill 2007 claims to be an affordable housing supply bill, yet it weakens land-use regulations statewide without any mandate of affordability. In fact, it incentivizes more displacement and demolition of existing affordable supply by allowing even more market-rate density, and therefore, exponential densification of profit.

This “solution” doesn't look much like a remedy, in fact it looks just like the problem, only worse.



How can Speaker Kotek’s assertions be true – that so-called NIMBYism is not only the biggest barrier to creating affordable housing but also the cause of the crisis – when the erasure of existing affordable housing supply is unfettered, unregulated, and unprecedented? That sort of misdirection and misappropriation poisons the well and strangles constructive debate from the outset and vilifies those who want to stop the hemorrhaging rather than those who profit from it. Renters like me and People Of Color in particular are suffering and powerless to stop the evisceration of our communities and the displacement of our families. House Bill 2007 is a pitch to further deregulate an industry that already exploits the commodification of a basic need by manufacturing shortage. **Please help us by voting no on HB 2007 or by adopting amendments that address the problem rather than fueling it.**

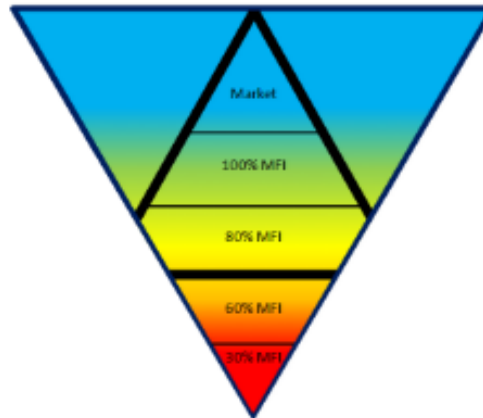
Thank you for listening,

MK Hanson
Executive Director, DemandAffordability.org

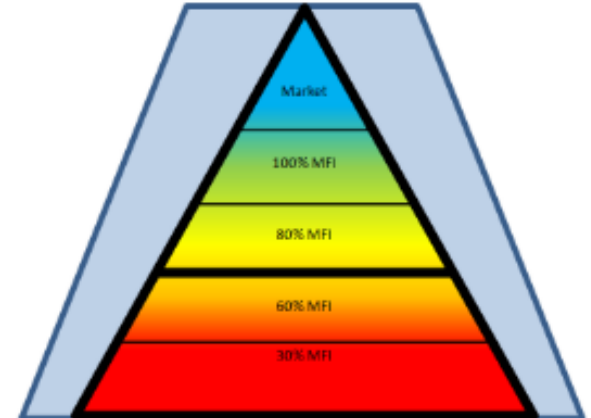
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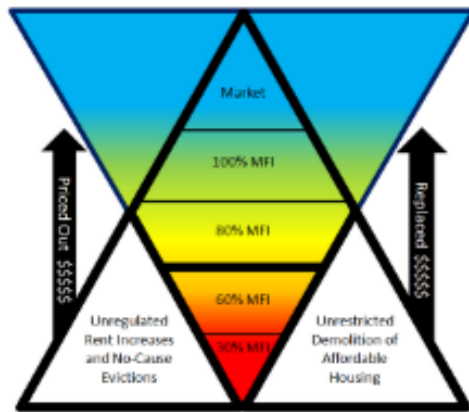
PROBLEM



GOAL



CAUSE



HB 2007



SOLUTION

