

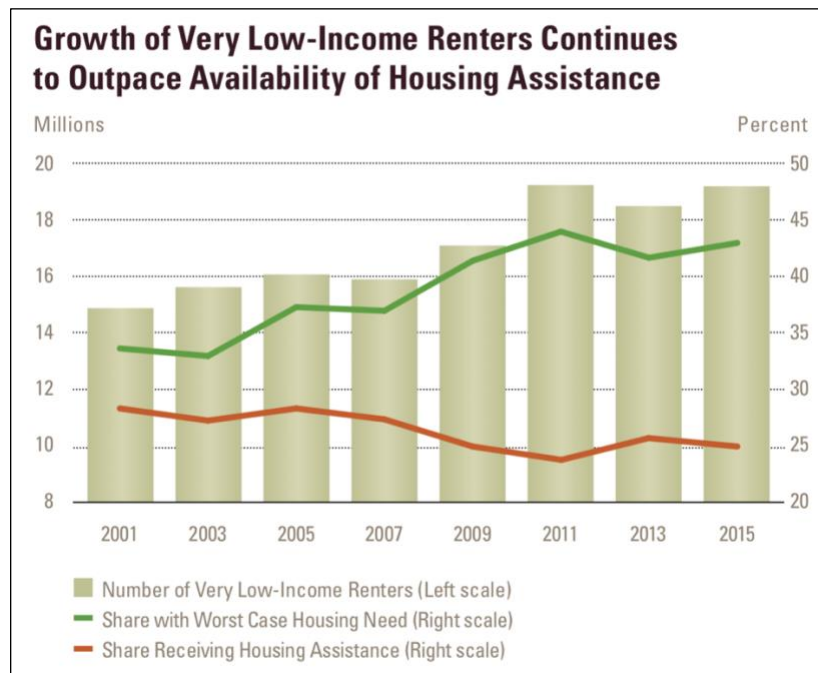
February 4, 2018

Chair Keny Guyer, Vice-Chair Olson, Vice-Chair Sanchez, and Members of the Committee:

My name is Kenny McLemore. I live in southwest Portland and I am writing as a citizen concerned about the pressing housing challenges we currently face in Oregon. Thank you all so much for the opportunity to offer written testimony in advance of your deliberations concerning House Bill 4007, which proposes to increase the amount of the document recording fee (applicable to the filing of certain real property transactions), with consequent revenue going to support OHCS Partner projects around the state through the General Housing Account (GHAP).

I am not someone who deals with people in crisis every day, but even a casual observer can see that our state's housing economy is facing some significant challenges (commensurate with our neighbors to the north and south). I would like to add my voice to those who see HB 4007 as a really significant step toward stabilizing Oregon's housing markets by calling your attention to a few recent reports that offer a national perspective on some current trends in the housing sector.

Last December, Harvard University's Joint Center for Housing Studies released [America's Rental Housing 2017](#) - a biennial report providing a comprehensive overview of current market dynamics. To get right to the heart of the matter, the executive summary opens with this observation: "part of the new normal emerging in the rental market is that nearly half of renter households are cost burdened. Addressing this affordability challenge thus requires not only the expansion of subsidies for the nation's lowest-income households, but also the fostering of private development of moderately priced housing." A chart on the last page (Fig. 6) succinctly summarizes some grim national trends for very low-income households (<50% AMI):



These findings are echoed and buttressed by another report released last October by the Urban Institute - [Trends in Housing Problems and Federal Housing Assistance](#). This document provides a comprehensive overview of evolving federal efforts to create fairer housing markets for the same segments of the population addressed in the JCHS report. In the opening paragraph - summarizing a significant amount of research - the author observes that:

renter housing needs have grown substantially—almost totally because of unaffordably high rents rather than physical deficiencies—and federal housing assistance is not keeping up. The number of low-income renters that actually receive federal housing assistance has dropped notably as a fraction of the low-income households that need it. Evidence indicates that this gap will worsen.

Both of these reports are timely, but it should be noted that neither fully accounts for the fact that the most comprehensive overhaul of the federal tax code in a generation is just now taking effect – one which will undoubtedly impact investment and budgeting strategies in just about every sector of our economy. Suffice it to say that – in a rapidly changing economic environment – there is scant evidence to suggest an improved outlook for lower-income renter households. Obviously, these reports only provide a backdrop for what is occurring now in Oregon, but are worth citing nonetheless, because our own economy is directly affected by these larger forces.

OHCS has provided local analysis in its recently released [Outreach Summary](#), in preparation of a new statewide housing plan. It offers ample insights into the current state of Oregon’s housing economy, based on a geographically and demographically diverse set of inquiries. I realize that the Committee members already have access to this information, and much more besides. I include it here – even in abbreviated form – because I value that it reflects what diverse groups of interested Oregonians have observed in just the past several months about our state’s shared housing challenges. The previous reports may provide insights into rental market dynamics at the macro level, but shelter shortages cause problems and stress on a very personal level, too. This OHCS document captures that perspective. In urging you to take appropriate action during this session, I can do no better than to repeat this report’s leading observations:

- 1. There is a profound need for affordable housing in every part of Oregon.**
- 2. Oregonians are facing significant barriers to securing safe, decent and affordable rental housing.**
- 3. The housing crisis is disproportionately impacting seniors, people with disabilities, single-parent households, communities of color and youth.**
- 4. The quality of rental housing is poor overall and has a disproportionate impact on low-income households.**

I have learned from other public [OHCS data](#) that, since 2010, GHAP has helped to fund dozens of projects in twenty-five counties, providing support for over 4,200 desperately needed housing units. That seems like a worthy track record to build upon. For all the reasons cited above, it seems obvious to me that immediate action is required. The Legislature is uniquely positioned to provide solutions to these challenges, in ways that our local jurisdictions are simply unable to do on their own. Please support and advance House Bill 4007. And thank you for your attention.