



# HOUSING ALLIANCE

January 12, 2022

House Committee on Housing  
Oregon State Legislature  
900 Court Street NE  
Salem, OR 97301

Dear Chair Fahey, Vice Chair Campos, Vice-Chair Morgan, and Members of the Committee:

I am writing to you today on behalf of the Oregon Housing Alliance to express our support for LC 55, which would help maintain existing affordable housing stock in the State of Oregon.

The Oregon Housing Alliance is a coalition of ninety organizations from all parts of the state. Our members have come together with the knowledge that housing opportunity is the foundation on which all of our success is built – individual success as students, parents, workers, and community members as well as the success of our communities. We represent a diverse set of voices including affordable housing developers, residents of affordable housing, local jurisdictions, and organizations working to meet basic needs in every corner of our state.

We believe that all Oregonians need a safe, stable, and affordable place to call home.

Today, we simply don't have enough affordable homes for people who need them in communities across Oregon. People – our neighbors and members of our community – are struggling with homelessness, housing instability, rent burdens, and to make ends meet and put food on the table. For countless families and individuals, particularly from Black, Indigenous or other communities of color, access to a safe, stable, and affordable home is further out of reach than it has ever been.

As you know, privately held affordable housing is required under an affordable housing covenant to remain affordable for a number of years – most often thirty to sixty years. After a period of compliance has ended for an affordable housing development, its owner under current law would be able to opt out of affordability provisions, and could begin raising rents towards market rate, putting into jeopardy the currently available supply of affordable housing, and the financial well-being of its residents, families and individuals, who potentially could be priced out of their communities.

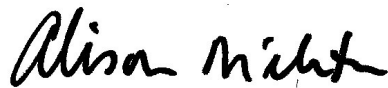
The Legislature has passed several laws in recent years to limit this risk for residents and communities, by requiring a right of first refusal if the owner is interested in selling, and other provisions which require advanced notice. The Legislature has also invested tens of millions of dollars to preserve, maintain, and rehabilitate housing over the previous decade and a half.

LC 55 aims to offer an additional solution that would help to preserve existing affordable homes in the State of Oregon. An owner of affordable housing would be able to sell their property to a buyer that would maintain its affordability by renewing restrictive covenants on the property for an additional thirty years. The seller would in turn receive a credit on their state capital gains tax obligations as incentive for selling their property to a purchaser who would maintain affordability restrictions.

For the 2022 session, the bill has been updated to go into effect in the 2023 tax year, which will provide Oregon Housing and Community Services (OHCS) some additional time to stand up the program and its requirements. The bill directs that OHCS would manage the tax credit cap. If passed and implemented, an owner who was eligible for and wanted to receive this tax credit would apply to OHCS, who would then confirm the property's eligibility, and if funds are available, award the credit. The owner would then claim the credit on their taxes in the following year. If the cap had been reached, the owner could choose to apply to OHCS in the following calendar year.

LC 55 is an opportunity to help create a win-win opportunity between owners of privately-held affordable housing reaching the end of their restricted use period, and current residents of affordable housing, and the current stock of affordable homes in the State of Oregon.

The Oregon Housing Alliance urges your support of LC 55. Thank you for your time and service to our state.

A handwritten signature in black ink that reads "Alison McIntosh". The signature is written in a cursive, flowing style.

Sincerely,  
Alison McIntosh  
On Behalf of the Oregon Housing Alliance