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Public Hearing before the House Committee on Housing and Homelessness

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In Support of HB 2653

Chair Dexter, Vice-Chairs Gamba and Helfrich, and members of the Committee:

On behalf of the Oregon Law Center, please accept this testimony in support of HB 2653, which would help prevent the loss of Oregon's existing affordable housing infrastructure. The bill would create a new tax credit for affordable housing property owners who sell their property to a new owner that agrees to preserve affordability requirements for an additional 30 years. Passage of this bill will help prevent the displacement of vulnerable low-income residents in communities across the state.

The Oregon Law Center (OLC) is a state-wide non-profit law firm whose mission is to achieve justice for low-income communities of Oregon by providing a full range of the highest quality civil legal services. Helping families maintain safe, stable housing is a critical part of our work. Housing is about much more than a roof over one's head; it is about opportunity, stability, and health. Without safe and stable housing, it is difficult or impossible for families to hold down a job, keep children in school, access neighborhood amenities, and stay healthy.

Publicly funded affordable housing plays an immense role in preserving the safety and stability of thousands of individuals, families, and communities in Oregon. Affordable housing means home for children, seniors, people experiencing disabilities, and families. Affordable housing units are built using public subsidies and in exchange, provide affordable rents over a period of 30 to 60 years, depending on the underlying agreement. When the contractual use restrictions expire, many affordable units are lost to the private market, putting vulnerable residents at risk of mass displacement into tight and expensive surrounding housing markets. The risk of homelessness in these circumstances is significant.

Recently, two affordable housing developments (one in Marion County and one in Washington County, totally nearly 400 units) that were originally financed with help from the federal Low Income Housing Tax Credit have reached the end of their use restrictions. The expiration of protections threw residents, service providers, and communities into crisis that has still not entirely been resolved. Over the next 10 years, use restrictions on over 7,500 more units of affordable housing in the state will expire, leaving many communities at risk of displacement and much of our affordable housing infrastructure at risk of becoming unrestricted, market rate rental housing.

Recent data shared by Oregon Housing and Community Services indicates that Oregon is experiencing a housing shortage of more than 140,000 homes, more than half of which need to be affordable to people living at or below 80% of the area median income. As we work hard to prioritize the creation of new units of affordable housing, we must also take steps to preserve current affordable housing stock. Without preservation efforts, we run the risk of moving backwards.

HB 2653 will create one means of affordable housing preservation by incentivizing owners to sell their property to someone who agrees to continued affordability terms. The bill will help protect thousands of low-income residents of Oregon – seniors living on fixed incomes, families with children, and people experiencing disabilities – from the fear of displacement into homelessness.

For all of the above reasons, we urge your support. Thank you to the bill's sponsors for their advocacy and leadership on this issue, and to the committee for your time and for your dedication.