

House Committee on Revenue

Re: Testimony in Support of HB 3364

April 9, 2021

Dear Chair Nathanson, Vice Chair Pham, Vice Chair Reschke, and members of the Committee:

Community Partners for Affordable Housing (CPAH) serves Washington County and SW Portland. We are a community housing development organization that is committed to a broad range of affordable housing, including permanent supportive housing. We have ten properties and serve 466 households, including large families and individuals who are exiting homelessness.

CPAH knows that permanent, safe and stable housing is a platform to ensure individual, family and community health and that a safe and stable place to call home is a basic human need.

Today, Oregon faces increasing risk of losing a substantial number of units that are affordable to Oregonians with low incomes. As publicly supported housing communities reach the end of their affordability periods, they can convert to market rate, putting tenants at risk of losing their longtime homes. Residents of publicly supported affordable housing communities - seniors, people with disabilities, and families with children - have few options in Oregon's private rental housing market.

Oregon needs additional tools and resources to help ensure that we do not lose our existing affordable homes. We must take every opportunity to keep these homes affordable for generations to come. HB 3364 would help keep existing publicly supported housing affordable by establishing a capital gains tax credit on the sale of multifamily affordable housing to a preservation focused housing provider.

A similar tax provision currently exists in statute. The capital gains tax exemption on sale of a manufactured home park to a resident co-operative or a mission focused nonprofit has helped encourage owners to sell to a buyer who will preserve the community. The exemption offers an attractive incentive to sellers, giving a competitive edge to mission-driven housing providers in a very aggressive market.

As CPAH looks to see how we can be helpful in this area, we know this kind of incentive for sellers is essential. Over the last few months we have received several queries about options for Woodspring Apartment residents, a community with expiring tax credits, as residents search for housing alternatives that will keep them housed.

We can help preservation focused buyers acquire publicly supported housing and keep residents in stable homes that they can afford, and ensure these homes will remain affordable for future generations. We respectfully urge you to vote in support of HB 3364 to create a simple and effective tool to preserve Oregon's affordable homes.

Thank you for your consideration and for your service to the State of Oregon.

Sincerely,



Rachael Duke, Executive Director
Community Partners for Affordable Housing