



DACIA GRAYBER
STATE REPRESENTATIVE
HOUSE DISTRICT 35

February 11, 2022

Chair Nathanson, Vice-Chairs Pham and Reschke, and members of the House Revenue Committee,

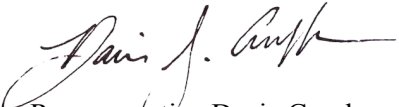
Shortly after taking my position as State Representative of House District 35, I was contacted by advocates fighting to maintain affordable housing at Woodspring apartments. These affordable housing units are located in my district and include 172 units that have historically been home to seniors. The agreement to provide affordable rates for the residents at the Woodspring Apartments has expired and the owners plan to transition the complex to the private market rate. Before we got to this point I joined into negotiations with the residents, affordable housing advocates, the city of Tigard, and the Woodspring Apartment stakeholders to find a mutually beneficial agreement that would allow residents to maintain their housing and not abruptly need to relocate, or in some cases end up homeless.

Part of these conversations included discussing options to sell the property to an entity that would maintain the affordable housing status, however, conversations fell short due to the stakeholder's concerns about their return on investment. HB 4043 could have given an additional avenue for negotiations and motivated the private individuals to pursue an option that would not have displaced vulnerable communities. HB 4043 creates a small, up to \$3 million/year, tax credit to offset the capital gains tax of sellers of affordable housing when they sell to someone who will maintain the property as affordable housing.

These incentives encourage property owners to maintain existing units as affordable housing. An owner of an affordable housing property would be able to sell their property to a buyer willing to commit to maintain its affordability for thirty years. In return, the seller would receive a credit to offset their state capital gains tax as an incentive for selling their property to a purchaser who would maintain the affordability restrictions. The -1 amendment provides a tax credit based both on the sales price and the number of years someone has owned the property.

We must continue to invest in affordable housing options, and we must do what we can to maintain the current affordable housing supply. HB 4043 provides a needed incentive that is essential to doing just that. This legislation ensures that current existing affordable housing units will remain affordable for the next generation of Oregonians needing safe, stable, and affordable places to live and allow our vulnerable seniors to age in place.

Sincerely,



Representative Dacia Grayber