



February 2, 2023

Public Testimony
House Housing and Homelessness Committee
Support for HB 3042

Good morning, Chair Dexter, Vice-Chair Gamba, Vice-Chair Helfrich, and members of the Committee. My name is Rob Prasch, I am the Preservation Director with the Network for Oregon Affordable Housing.

I'm testifying today in support of House Bill 3042, which proposes important changes to Oregon's preservation statute. Some of the proposed changes are technical in nature, related to things like how notices are filed and processed. Other provisions are more substantive, and focus on the impact to residents who live in expiring affordable housing communities.

Over the next 10 years, use restrictions will end on 163 affordable housing properties with over 7,600 rental homes. Currently, Oregon statute requires owners of expiring affordable housing to provide 30-months' notice of expiration to the state and local government. In 2021, the statute was revised to require owners to also provide residents a one-year notice of expiration.

Unfortunately, due to how the 2021 bill was written, the tenant notice requirement has not gone into effect yet. As a result, when use restrictions on six properties expired on December 31st, the residents were not advised of the change in their housing situation. HB 3042 will correct that oversight by making the tenant notice requirement effective upon passage of the bill.

HB 3042 will align the timing of all the required notices. This means tenants would be entitled to the same 30-month advanced notice of expiration that state and local governments receive.

The bill requires owners to inform prospective tenants of the approaching expiration, before they are asked to pay application or screening fees, or sign a lease.

HB 4032 also establishes a three-year safe harbor period for residents living at the property at the time of expiration. The safe harbor period would provide modest protections against large rent increases as the property transitions to market rate.

During the safe harbor period, rent increases over 5% would be subject to review and approval by Oregon Housing and Community Services. This is something owners of affordable rental housing having Department resources, are already required to do.

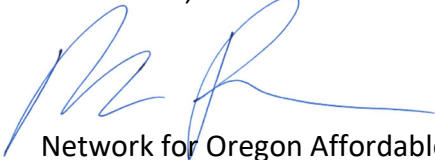
Oregon Housing will monitor compliance and enforce the 36-month safe harbor and notice requirements.

HB 4032 is endorsed by the Oregon Housing Alliance, the Housing Authorities of Oregon, Housing Oregon, League of Women Voters, and by affordable housing developers, including both nonprofit and for-profit developers.

One of the most important things lawmakers are empowered to do, is pass legislation to protect the public welfare. The provisions in HB 3042 offer modest protections to vulnerable households, including seniors and others living on fixed incomes, from displacement, or even worse, when affordability restrictions expire.

I urge the Committee's support of HB 2032. Thank you.

Rob Prasch, Preservation Director



Network for Oregon Affordable Housing