



Expert Testimony in Favor of HB 3746

To: House Committee on Housing and Homelessness
Oregon State Legislature

Date: 1pm Wednesday, March 12th, 2025

Dear Representatives:

Please consider supporting HB 3746, which reduces the statute of limitations for construction defect actions on condominiums. This might be the most impactful housing production bill in Salem today. I offer you my expertise as someone who specializes in affordable housing across a state that ranks 43rd in the nation for homeownership.¹

We can do better. HB 3746 is a vital step in the right direction for three reasons: it will create new supply, it is revenue neutral, and it will help stop the hemorrhaging of affordable housing assets. I have a creative solution to help with our preservation crisis, but it's going to require passage of HB 3746

First, HB 3746 will create incentives for the building of new affordable housing stock using private capital. We used to build 6,000 condos per year, now it's only 300 per year. If we are serious about meeting the governor's housing production goals, we need more condos, which are an environmentally friendly pathway to home ownership.

Second, HB 3746 is the only housing production bill right now that doesn't cost the taxpayers any money. With the single stroke of a pen, the Governor can change the incentives to drastically increase condo production in line with other states with zero taxpayer funds.

Third, HB 3746 addresses a preservation crisis that is getting worse. Many of my clients are housing authorities and affordable housing non-profits. What you may not know is that most of them are being forced to sell off affordable housing supply, sometimes to private sector investors. We were already facing a massive crisis in the affordable housing world before President Musk began cutting HUD funding and staff. Things will get worse, but you can help. Let me share how.

Last year, I structured a partnership with an affordable housing group in Portland that was selling off an apartment because preservation dollars were simply not available for this asset. We forged a partnership where we are converting dozens of units into affordable condos at 80% AMI. We even help residents with downpayment assistance. Where can you find a home to purchase for \$200,000 in Portland? With our affordable condo

¹ Oregon is the fifth least affordable state for housing relative to median household income. Oregon has HALF the national average of owner-occupied multi-family units.

conversion model, we are bringing the back starter homes without using one single penny of public funds. But insurance costs to protect against frivolous lawsuits threatens the model.

We cannot scale this promising apartment-to-condo conversion model across the state until we make sane and reasonable reforms to our condo defect liability laws which have brought condo production to an absolute standstill. But it's not just about new construction: it's also about preservation of at-risk affordable apartments. If Oregon wants to be part of the solution, let's lead by example, not from behind.

This bill is a litmus test of how serious we all are about addressing the supply problem that is at the core of the housing crisis. If we are serious about meeting the governor's housing production goals, we need to pass HB 3746, which is budget neutral and will lead to new supply of affordable housing. Above all else, HB 3746 is essential to solving the preservation crisis of existing affordable assets.

Thank you for your time and consideration.

Regards,

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Speaker's Background:



Bjorn Beer graduated from Georgetown University with a degree in economics. Beer's first real estate investment resulted in a land donation to Habitat for Humanity. Beer resides in Corvallis, the state's most rent burdened city. Beer recently served on the Planning Commission in Corvallis. As Vice President at SVN, Beer specializes in working with affordable housing authorities and non-profits on development projects, acquisitions, consulting, and dispositions. He is a voting member of the affordable housing coalition Housing Oregon.