

Gov. Brown wants tax for affordable housing

Voters would make the decision

By **DIRK VANDERHART**
Oregon Public Broadcasting

Eight years ago, amid a cratered housing market, Oregon voters decided the state shouldn't impose taxes when real estate changes hands.

Now, with sky high property values helping to create a housing and homelessness crisis, Gov. Kate Brown wants them to reconsider.

The governor's office has filed a resolution for the legislative session that starts Monday asking voters to amend the state constitution to allow for real estate transfer taxes, which are assessed when property changes ownership.

House Joint Resolution 203 would exempt the first \$500,000 of a property's value from taxation. The governor has not proposed a tax rate nor set a goal for how much revenue she'd like to raise, her office says.

But she is certain about where money from a new tax should go: "to fund or finance affordable housing."

"Outside of how we build, construct and develop housing, we don't have an ongoing dedicated source of funding to provide the services," said Shannon Singleton, Brown's housing policy



Colin Murphey/The Astorian

Affordable housing is a challenge in Clatsop County.

adviser. "Local jurisdictions don't necessarily have the ability to meet service level needs without some sort of new revenue."

If it gets traction, Brown's resolution would become the latest high-profile housing proposal slated for the 35-day session.

Oregon Public Broadcasting first reported that House Speaker Tina Kotek, D-Portland, plans to ask lawmakers to declare a housing state of emergency, and she will push a \$120 million package meant to help communities establish shelters and

provide housing.

But Brown's idea also would dredge up a debate Oregon last had in 2012. At the time, housing prices in the state had bottomed out from the Great Recession and were just beginning a rise that continues today.

Realtors and business groups poured millions of dollars into Measure 79, which created a prohibition on real estate transfer taxes in the state constitution.

Oregon statutes already prohibited localities from creating such taxes, but Measure 79 proponents

wanted more certainty. They made hard-to-prove claims that cities around the state had been plotting to institute transfer taxes, and that such a move would create another burden for homeowners and prospective buyers.

"We are very concerned about anything that would make a terrible housing situation even worse," the Salem Area Chamber of Commerce wrote in a voters' pamphlet statement.

"With property values declining, it is unfair to impose additional taxes on struggling middle class

families and Oregon businesses," chimed in the Benton County Farm Bureau.

Opponents countered that the measure was unnecessary and would add unneeded complexity to the state's constitution. Measure 79 wound up resonating with voters and passed with nearly 59% of the vote.

As a result, the constitution now prohibits any "tax, fee or other assessment upon the transfer of any interest in real property, or measured by the consideration paid or received upon the transfer of any interest in real property." A 0.1% transfer tax that Washington County had in place when the measure passed was allowed to continue.

Shaun Jillions, a lobbyist for the Oregon Association of Realtors, said Brown told him last week she'd be introducing the measure, but said she "wasn't going to push it very hard this session."

Still, the group was "extremely concerned" to hear of the plan, he said.

"We do not feel like a real estate transfer tax is the right approach to funding societal needs," Jillions said. "We're taking it very seriously."

The governor's office contends it's time Oregon started considering transfer taxes again.

If her measure makes the ballot and passes, hard details about any tax would

be decided by state legislators. States around the country have adopted a wide range of taxing structures for property transfers.

"Let's bring this back into the conversation and at least bring it back before voters to see if at this point in time with the data that we have ... is it time to revisit," said Singleton, who formerly led the Portland homeless services organization JOIN. "It's not something that ever stops being talked about in the housing community. We always need to be talking about additional revenue sources."

In absence of transfer taxes, lawmakers have turned to other mechanisms to raise money for affordable housing.

In 2018, the Legislature raised the fee county clerks collect for recording documents from \$20 to \$60, doubling the money the state raises for affordable housing. Realtors supported that change after it was paired with a provision allowing first-time homebuyers to set up tax-free savings accounts.

Lawmakers have also repeatedly considered narrowing the state's tax deduction for mortgage interest payments, a move aimed at raising tens of millions of dollars for affordable housing. Those proposals have been opposed by real estate agents.

New innovative housing project opens in Portland

A community for Native Americans

By **ERICA MORRISON**
Oregon Public Broadcasting

If you drive down northeast 42nd Street in Portland's Cully neighborhood, you may come across a sight that has become very familiar: a shiny new apartment building in a changing neighborhood. But this building is special. It's a 59-unit affordable housing complex developed to address the disproportionate rate of homelessness among Native Americans.

"We have a lot of tribal members that live here in Portland, that have lived here for generations and we are able to provide housing for some of them," Delores Pigsley, chair of the Confederated Tribes of Siletz Indians said during a ribbon-cutting ceremony.

The name of the community is Nesika Illahee, which translates to "Our Place" in the Chinook language. The 53,000-square-foot building includes a mix of units featuring studio, one, two- and three-bedroom apartments. There are laundry facilities on each floor and spaces for residents to gather and host events. Throughout, walls are adorned with murals and artwork by Native American artists.

Nesika Illahee is the first housing complex to receive the U.S. Department of Housing and Urban Development's Indian Housing Block Grant to build housing in an urban environment. Typically the funds are used to build on reservations.

"We have, per capita, the largest homeless population in Portland so we as a tribe are looking to address those needs," Pigsley said. A variety of funders contributed to the development of the \$17.7 million community, but a key player was the Confederated Tribes of Siletz Indians.

According to Oregon Housing & Community Services, the Siletz Tribe secured \$1.7 million in Indian Housing Block Grant funds. As a sovereign nation, the Siletz Tribe can exercise preference to citizens of tribal nations. Twenty of the units have a specific tribal preference, following a policy defined by the Siletz Tribe.

That policy gives first

'WE HAVE, PER CAPITA, THE LARGEST HOMELESS POPULATION IN PORTLAND SO WE AS A TRIBE ARE LOOKING TO ADDRESS THOSE NEEDS.'

Delores Pigsley | chair of the Confederated Tribes of Siletz Indians

preference to applicants whose head of household is an enrolled member of the Confederated Tribes of Siletz Indians or the household includes a minor or dependent child who is an enrolled Siletz tribal member.

Second preference goes to households with at least one member enrolled in a federally recognized tribe, Alaska Natives or tribes recognized by states and included in the Native American Housing Assistance and Self Determination Act.

Nesika Illahee will also support tenants in recovery, with the help of the Native American Rehabilitation Association of the Northwest. Residents will be asked to sign a drug-free and alcohol-free lease policy. A certified drug and alcohol counselor will work with residents to support them with treat-

ment and recovery plans. The association will also provide access for children, youth, adults and elders to a slate of services, including primary and specialty care providers, women's health support, a diabetes program, as well as dental and mental health services.

The journey to Nesika Illahee began in 2016 when Community Development Partners, an organization focused on developing and sustaining affordable housing, bought the plot of land on N.E. 42nd Avenue. After reading the report authored by Portland State University and the Coalition for Communities of Color, Eric Paine, CEO of Community Development Partners, said the overrepresentation of Native communities in poverty and homelessness inspired them to partner with Native American Youth and Family Center and Native American Rehabilitation Association of the Northwest to create housing for the Native American community.

"It's an innovative project that has never been done before. No one has ever used Indian block grant funds in order to fund a project or create a preference for Native Americans in off-reservation urban setting," Paine said during the ribbon-cutting ceremony. "It's really a groundbreaking idea."

Paine said that Portland State has received funding to write a report teaching others how block grant funding can be utilized to serve the community.



A mural by Toma Villa adorns the exterior of Nesika Illahee in the Cully neighborhood in Portland.

Oregon Public Broadcasting

TAX SEASON SPECIAL!

15% off

ON ALL FURNITURE

Now thru April 15th

Over 30 years in Clatsop County!

Hours:
Mon-Fri: 8-6
Sat: 9-5
Sun: 10-4

APPLIANCE AND HOME FURNISHINGS

503-861-0929

529 SE MARLIN AVENUE
WARRENTON, OR

"We Service What We Sell"

New Year, New Look!

20%

off select Signature Series

Style and service for every budget.
www.budgetblinds.com

Call now for your **free** in-home consultation!

Oregon Coast 503.738.5242 Lincoln City 541.994.9954