

**REVENUE:** Revenue statement issued

**FISCAL:** Minimal fiscal impact, no statement issued

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**Action:** Do Pass and Be Referred to the Committee on Revenue by prior reference

**Vote:** 7 - 0 - 1

**Yeas:** Bailey, Bentz, Gilliam, Holvey, Thatcher, Witt, Read

**Nays:** 0

**Exc.:** Galizio

**Prepared By:** Barbara Allen, Administrator

**Meeting Dates:** 2/3, 2/5

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**WHAT THE MEASURE DOES:** Authorizes the Department of Housing and Community Services (OHCS) to grant loans financed with the sale of tax exempt bonds coupled with Oregon Affordable Housing Tax Credit Program (OAHTC) tax credits to qualified affordable housing developers. This bill adds that OAHTCs can be layered with taxable bonds as well as tax-exempt bonds.

**ISSUES DISCUSSED:**

- Tax-exempt bond financing qualifying as a loan

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** The Department of Housing and Community Services uses a wide variety of financing formulas to fund the development of affordable housing. This bill is specific to one funding formula.

Currently, when OHCS develops a loan package for a qualified affordable housing developer by coupling the proceeds of a tax exempt bond with OAHTC tax credits, they must get approval by the Department of Revenue to validate the financing package. Each project-specific approval adds to the expense of the bond sale with attorney fees from Bond Counsel as well as the Department of Justice (DOJ) acting for the Department of Revenue. This bill codifies the practice already permitted through legal opinion. The purpose is to reduce transactions costs and reduce the time needed to complete a transaction by eliminating the requirement that Bond Counsel must contact DOJ for an opinion on each package.