



A healthy community begins at home

MEASURE: HB 2354

EXHIBIT: E

Senate Finance and Revenue 76th Session

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SUBMITTED BY: DEE WALSH

May 11, 2011

TO: Senate Committee on Finance and Revenue
Sen. Ginny Burdick, Chair
Sen. Frank Morse, Vice-Chair
Sen. Mark Hass
Sen. Chris Telfer

RE: HB 2354

I am Dee Walsh, the Executive Director of REACH Community Development, a nonprofit housing development and property management company operating in Oregon. I am here today to testify as a member of the Oregon Opportunity Network, a nonprofit coalition that represents 37 nonprofit housing developers in the State. Together OON members have developed over 16,000 units of affordable housing in Oregon communities.

Property tax exemptions are an important tool for providing greater affordability to the residents of our rental housing. ORS 307.540 to 307.548 allows local communities to exempt affordable housing properties from paying property taxes which allows nonprofit to charge lower rents to their low-income residents.

In REACH's portfolio, we've used this property tax exemption to assist renters in over 1300 units, which include 178 units for persons living with disabilities, 391 units targeted to persons earning less than 30% of the area median income (or \$14,000 for a HH of one), and 310 units targeted to households earning less than 50% AMI. I've attached a sheet showing how REACH's affordable housing properties use this benefit. In fact, over 60% of our residents earn less than 30% of AMI, as tenants living in our housing often have incomes much lower than the original income targets. Thus the lower rent levels that are available due to the exemption are critically important.

To date four jurisdictions in the State have adopted the ordinance: City of Portland, City of Wilsonville, City of Tigard, and Lincoln City. Because of their adoption of this local tool, over 9200 households get the benefit of lower rents – monthly rent reductions that average about \$50 per unit. For a hard working family, this rent savings is then available for food, school supplies, medical expenses, etc. – essential items for a stable and healthy household.

All four of these jurisdictions believe that the program has been effective and efficient in meeting their local goal of providing stable and affordable housing, and want to retain this option. They monitor the use of the exemption and require annual certification to ensure that households with incomes below 60% of the local Median Family Income are being served, and that the property tax savings are passed to the tenants in the form of rent reductions.

At least two jurisdictions who do not now offer this option would like to retain the option to consider it. Washington County has indicated that even though they have not yet adopted this local option, they may want to do so in the future. The City of Bend would also like the option to remain open.

We are requesting the extension now, to help us better plan for the future as an extension now will allow us to anticipate our development costs as we plan and develop new projects. We urge the Senate Committee on Finance and Revenue to vote in favor of HB 2354. I'm submitting to you a letter from Oregon ON, along with some profiles of affordable housing projects that will paint a better picture of who benefits. Thank you.

Property Tax Exemption benefits

Name of Organization: REACH CDC

Address: 1135 SE Salmon St. Portland, OR 97214

Contact Person: Brian Bieler, Director of Asset Management

Affordable Housing Properties Owned/LP

# of properties - 23	# of total units - 1308
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units serving:

Special Needs	< 30%	< 50%	< 60%	< 80%
178	391	310	411	20

	Name & Location(S) by town and county	#/units	Ordinance
1	12th Avenue Terrace, Portland/Multnomah	119	3
2	Admiral Apartments, Portland/Multnomah	37	3
3	Albina Corner, Portland/Multnomah	48	3
4	Beacon Manor, Portland/Multnomah	20	3
5	Dresden Arms, Portland/Multnomah	30	3
6	Floyd Light Apartments, Portland/Multnomah	51	3
7	Grand Oak Apartments, Portland/Multnomah	42	3
8	Laurelhurst Apartments, Portland/Multnomah	23	3
9	Marion Street Apartments, Portland/Multnomah	24	3
10	McCuller Crossing, Portland/Multnomah	40	3
11	Patton Park Apartments, Portland/Multnomah	54	3
12	Powell Blvd. Apartments, Portland/Multnomah	20	3
13	Prescott Place, Portland/Multnomah	20	3
14	Rex Arms, Portland/Multnomah	62	3
15	Ritzdorf Court, Portland/Multnomah	90	3
16	Rose Apartments, Portland/Multnomah	58	3
17	Station Place Tower, Portland/Multnomah	176	3,4
18	Taft House, Portland/Multnomah	80	3
19	Taylor Apartments, Portland/Multnomah	10	3
20	Walnut Park, Portland/Multnomah	38	3
21	Westshore Apartments, Portland/Multnomah	113	3
22	Wilshire Apartments, Portland/Multnomah	42	3
23	Scattered Sites	111	3

Ordinance Legend:

- 1) Charitable Corporations (ORS 307.130)**
- 2) Low Income Rental Housing (ORS 307.515-.537)**
- 3) Non Profit Corporation (ORS 306.540-.548)**

4) Multi-Unit Housing in Core Area/Transit Oriented (ORS 307.600-.637)