



# Oregon

John A. Kitzhaber, MD, Governor

## Housing and Community Services

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### Testimony before the Joint Committee on Tax Credits House Bill 2154 April 18, 2011



Co-Chairs Burdick, Bailey and Berger, members of the committee, I am Lisa Joyce, Policy and Communication Manager with Oregon Housing and Community Services.

I am here today request your support for House Bill 2154A.

Through the state Farmworker Housing Tax Credit, OHCS has developed nearly 1,200 units of quality, affordable housing for the state's agricultural workforce. However, existing farmworker housing tax credit statutes make it hard for us to use the credit with other funding sources and keep up with the changing nature of farm work.

The bill has not fiscal or revenue impact.

The bill before you will update the definition of farm work, and allow manufactured dwelling park cooperatives that include farmworkers to use the credits to purchase a manufactured dwelling park.

#### The solution

HB 2154 expands the definition of farmworker so that lower-income Oregonians engaged in agricultural and aquacultural work -- including processing on the farm -- can obtain decent and affordable rental housing. It also brings state definitions into line with other programs that support the development of housing for agricultural workers.

It also allows retired or disabled farmworkers to continue to live in community-based housing development financed through the credit, as does the federal definition.

The new provisions of HB 2154A apply to community-based housing and leave the existing provisions for on-farm housing intact.

The proposed legislation:

- Revises the definition of farmworker housing to permit the existing farmworker housing tax credit program to support the purchase of manufactured dwelling parks by cooperative ownership entities.
- Clarifies that owners may sell farmworker housing tax credits to a contributor in return for an equity investment in the property. Over the term of credit, provide opportunity for creditor without tax liability to transfer credit to any other contributor once after the project's completion.

MEASURE: HB 2154  
EXHIBIT: F  
Joint Committee on Tax Credits 76<sup>th</sup> Session  
DATE: 04-18-2011 PAGES: 2  
SUBMITTED BY: Lisa Joyce



- Clarifies that the department may allocate credits to housing developments on a pro rata basis to reflect the number of units in the development dedicated to farmworkers.
- Clarifies language on application form, clarifies the application process and the period during which owners can apply for credits.

Thank you for the opportunity to represent Housing and Community Services before the committee today. I am happy to answer any questions you may have.