



Intergovernmental Relations *Submitted not heard*

May 19, 2011

City of Eugene
1201 Court St., NE Suite 103
Salem, Oregon, 97301
(503) 378-1505
www.eugene-or.gov

Senator Burdick, Co-Chair
Representative Bailey, Co-Chair
Representative Berger, Co-Chair
Joint Committee on Tax Credits

RE: House Bill 2527 – Oregon Affordable Housing Tax Credit

Dear Co-Chairs Burdick, Bailey, and Berger and Members of the Committee:

The City of Eugene **Supports** House Bill 2527 which would extend the Oregon Affordable Housing Tax Credit (OAHTC) state income tax credit that reduces rent for low-income renters in affordable housing projects.

The OAHTC allows lenders to reduce interest rates by 4 percent on loans provided to sponsors of affordable housing. This "savings" is passed through to the households who live in the property in the form of permanent rent reductions. This pass through allows low income (households who earn less than 80 percent of median income) to pay less for rent, thus becoming more financially stable and not forced to choose between housing, food, utility payments and other life necessities.

We believe this tax credit is an extremely efficient and easy way to implement and preserve affordable housing programs, which are vital to the well being of many Oregon families. We respectfully urge your support of HB 2527. Thank you for your consideration of the City of Eugene's position.

Sincerely,

/S/ Brenda Wilson
Intergovernmental Relations Manager