



May 29, 2013

Senate Committee on Finance and Revenue
900 Court St. NE
Salem, OR 97301

RE: Support of HB 3112 – Property tax exemption

Dear Members of the Senate Committee on Finance and Revenue:

On behalf of the City of Beaverton, I am writing in strong support of House Bill 3112, which would exempt city owned property used or intended to be used for affordable or low income housing.

We believe that cities and other political subdivisions that own property used specifically to provide affordable housing for its low-income residents (as defined in ORS 456.055), should be afforded the same tax exemption privileges enjoyed by County Housing Authorities across the state of Oregon.

As it currently stands, Housing Authorities, which are administrated at the county level, are authorized to apply tax exemption to residential developments that rent or lease to low-income households. This authority applies not only to taxes that are collected for the county's coffers, but includes taxes levied on the property that apply to all jurisdictions that have taxing authority over the parcel – whether they be government or service district.

Beaverton recognizes that an ability to employ a 100-percent exemption to these developments is often the critical element which permits qualified units to maintain their affordability. As such, it is essential to factor in the ability of public agencies to develop and manage affordable housing throughout the state. This is because tax exemptions, which are applied on an ongoing basis, permit the housing manager to lower their annual operating expenses. The savings from this source can then be passed on to renters in the form of lower rents.

As federal subsidies continue to diminish in the years to come, and given that both housing prices and rents are widely expected to rise, the burden of housing residents that earn a low living wage will likely shift to cities throughout the state. Cities should be afforded the same privileges that Housing Authorities currently enjoy. For this reason, we urge the Oregon Legislature to approve House Bill 3112.

Sincerely,

A handwritten signature in blue ink that reads "Denny Doyle". The signature is written in a cursive, flowing style.

Denny Doyle
Mayor