



CITY OF
PORTLAND, OREGON
PORTLAND HOUSING BUREAU

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Senator Sara Gelser, Chair
Senate Committee on Human Services and Early Childhood
900 Court St. NE, Hearing Room B
Salem, OR 97301

Dear Chair Gelser and Members of the Committee:

The Portland Housing Bureau is writing to provide support for HB 3082 and the additional provision it provides for local jurisdictions to exempt nonprofit housing from property taxes. This option would provide additional support for families living in non-profit owned housing whose incomes rise in place, allowing them to transition successfully to homeownership or market rate housing with graduated rent increases instead of significant and potentially destabilizing increases in rent.

Under the current statute, affordable rental homes receiving the nonprofit tax exemption must be occupied by families under 60% of area median income. When their incomes rise above that, the nonprofit housing provider loses the tax exemption for that unit and is either forced to absorb the cost of the reinstated property taxes or raise rents to cover some or all of the increase. HB 3082 would allow local governments the flexibility to allow family income to increase up to 80% AMI while the rental home continues to receive the property tax exemption.

The City of Portland estimates this new option would apply to approximately 350 additional affordable rental homes, with an estimated financial impact to the City of \$124,000 annually. Property tax exemptions are a critical tool that Portland and our nonprofit partners rely on to maximize the subsidy levels in rental housing and provide the lowest rents possible for vulnerable populations who are striving to become self-sufficient. I encourage you to support the option for additional local flexibility. Thank you very much for your consideration.

Respectfully,

Javier Mena,
Assistant Director, Portland Housing Bureau