

May 21, 2015

Honorable Mark Hass, Chair
Senate Committee on Finance and Revenue
900 Court St. NE
Salem, Or 97301

RE: House Bill 2130A

Dear Senator Hass and Committee Members:

Community Partners for Affordable Housing (CPAH) is a nonprofit affordable housing and services provider serving Eastern Washington County and Southwest Portland. We have 325 rental units, in Tigard, Beaverton, Unincorporated Washington County and the SW Portland neighborhood of Hillsdale. In order to provide very low rents at these properties (currently these average between \$200-400 below HUD's Fair Market Rents, with the highest differential on larger 3 and 4-bedroom units), we depend on a variety of incentives, at the time of development and during ongoing operations.

To keep rents low for the duration of our ownership, tax exemption is the single most important tool we have, and we appreciate the City of Tigard's adoption of this nearly twenty years ago. The program has worked well—new affordable projects have been added in modest numbers, and no developable land or existing project has been held off the books for a long duration to accommodate development cycles. The participating properties have been able to focus on ongoing repairs, and in many cases, the provision of basic services (assistance with food, utilities, education, and health/mental health) on-site, in part because of this reduced operating cost. We partner closely with the City on this and other aspects of their affordable housing program to ensure that staff, elected representatives, and citizens all understand and appreciate the role these programs play in building diverse and inclusive communities.

The City of Beaverton adopted a tax exemption ordinance two years ago, with a Sunset provision. They sought to shape the tool with more detail at the local level—adopting additional criteria beyond those in state statute—hence this bill. We appreciate the desire for local customization, knowing that local governments will need to work hard to maintain a certain and consistent in approach in implementation, so that lenders and investors will indeed consider this tool when underwriting the feasibility of a given project. Should this legislation move forward, we look forward to working closely with the City of Beaverton to shape a local approach that continues to promote the development of affordable housing. **Given the need in our County for an additional 15-20,000 affordable units, it is imperative that we create long term tools that work for local jurisdictions so we can have an impact on this deficit.** If HB 2130 will encourage additional jurisdictions to participate in the property tax exemption program, then and that would certainly make its changes worthwhile!

Should you have any questions, I am available by phone or e-mail (sgfink@cpahinc.org, 503.293.4038).
Thank you for your consideration!

Sheila Greenlaw-Fink, Executive Director

