



February 1, 2016

Dear Chair Barnhart and members of the House Committee on Revenue:

I write today both as NEDCO's Executive Director and as a member of the Board of Directors of the Oregon Opportunity Network (Oregon ON, Oregon's industry association of affordable housing and community development organizations) to support HB 4081, which maintains previously granted property tax exemptions granted under ORS 307.130. **HB 4081 will help preserve critical affordable housing units** owned by nonprofit housing agencies around Oregon.

Oregon ON estimates that their members have as many as 1800 units impacted by this extension, including homes for very low income families, seniors, people with disabilities, and other special needs populations, in locations as wide-ranging as Baker City, Medford, and Astoria. Our state is experiencing a crisis in housing access and affordability, and the extension of these property tax exemptions is key to maintaining currently affordable units that allow Oregon's most vulnerable citizens the safe, stable, affordable homes they so desperately need.

For NEDCO's housing portfolio, our property tax exemptions average more than \$1100 *per unit* per year, which translates directly to the affordability of the units and the viability of the project. We also recently experienced the impact of an exemption denial on a project, when we had to back out of a 31-unit affordable development in Salem based on the denial of our property tax exemption application. Every other aspect of the deal was in place, including a generous and civic-minded seller who wanted the property to become affordable housing for his community. But without a property tax exemption, we couldn't make the project pencil; it was the make-or-break component. I know that HB 4081 will not help with that project (as it only applies to grandfathered properties) but it clearly illustrates the incredibly fine margins by which affordable housing projects are either sustainable or not, and the crucial role that property tax exemption plays in that equation.

NEDCO remains committed (like Oregon ON and affordable housing nonprofits around the state) to participating in future workgroups and discussions seeking a long term solution to the affordable housing property tax exemption issue. Until that time, HB 4081 provides an important extension of previously granted exemptions, protecting both the viability of Oregon's affordable housing units and the security of the low income residents who call those units home.

Sincerely,

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