

Thank you, Madam Chair and members of this committee, for consideration of reauthorizing the state of Oregon's New Markets Tax Credit program to help low-income communities. My name is David Altman; I grew up in Oregon and run a small consulting practice exclusively representing only projects, mainly nonprofits, with transactions nationally that include NMTCs. My company's current clients in Oregon are Serendipity Center (a nonprofit school for special needs children in Portland); REACH (a job training and supportive services nonprofit for disabled adults in Klamath Falls); renovation of a historic hotel for the City of Redmond; Sabin CDC (a neighborhood development nonprofit providing affordable housing for historically African American communities); and Northwest Housing Alternatives (Oregon's largest nonprofit developer of affordable housing in Milwaukie). Of the 37 projects that received Oregon NMTCs previously, my company managed 7 of those transactions for construction and renovation projects in 14 cities: Hillsboro, John Day, Junction City, Eugene, La Pine, Milton-Freewater, Sutherlin, Canyonville, Brookings, Lebanon, Coos Bay, Albany, Beaverton, and Ontario.

Our projects would not have worked without the state of Oregon NMTCs. The relatively small contribution from state NMTCs were the main catalyst for obtaining the remaining financing, and achieved the following:

- Securing federal NMTCs, yielding 60% above the state credits with an unlimited cap;
- Attracting commercial and nonprofit lenders for below-market debt financing;
- Creating increased competition for the investors who provided the cash at closing from the credits, resulting in higher net benefit to the projects;
- Augmenting fundraising with capital campaigns; and
- Improving the financial solvency of the organizations sponsoring the projects.

When the state NMTC program stopped, we lost investors and opportunities to obtain federal NMTCs for many of our projects, particularly those in urban areas of the state. A reauthorization of the credits will result in a positive impact from construction and new hires, creating additional state and local tax revenue most heavily in the first 2 years. It will NOT have a negative impact on revenues, as some have of you may have been told, during the next biennial budget because the state credits are only applicable starting in year 3 of the 7-year compliance period.

One example of the Oregon transactions with my company is Fry Foods in Ontario. So far, the project has generated 81 new jobs with preference for unemployed and low-income applicants. The project originally was designed to create about 300 jobs over 7 years, but now with additional production lines, estimates are for between 500-600 new jobs. One of the biggest impacts is for the thousands of agricultural jobs on the farms in the region, mainly for onion cultivation, but also with new commercial crops like zucchini. Without the state of Oregon NMTCs the family farming business that owns Fry Foods would not have made the investment to purchase the bankrupt Select Onion facility. This project exceeded the normal estimates from academic studies about impact by leveraging more than \$10 for each \$1 provided to the project for the state of Oregon credit.

Thank you again for attention to this important state program. I am happy to answer any questions.

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