

Good morning Madam Chairwoman, members of the Committee. Thank you for allowing me to join you today and ask that you support renewal and expansion of the Oregon Low Income Community Jobs Initiative – that is, the Oregon State New Markets Tax Credit Program.

My name is Alan Pasternack and I am an attorney. I have the privilege of representing project sponsors – primarily nonprofits – in transactions using New Markets Tax Credits to finance community development projects that create jobs and provide goods and services in low-income communities throughout the nation. Let me emphasize that I do not represent CDEs or investors. I represent the project sponsors, mostly small non-profits that are on the front line creating jobs and providing services in low-income communities.

Of the 37 transactions that closed using the Oregon NMTC Program, I worked on 21. These projects have created hundreds of jobs from Ontario to Brookings; established dental clinics in towns from Coos Bay, to John Day, to Milton-Freewater; built supportive housing for low-income women in Portland, enabled development of the Portland Mercado – a business incubator for Latino-owned businesses; supported the development of numerous Head Start early education facilities; financed expanded workforce development programs in Lane County; financed the development of a new YMCA in Albany; and contributed to expanded social services in cities and towns from Portland to Eugene, and beyond.

Today I'd like to talk about one of my first, and most rewarding, projects. The Community Transitional School provides K-8 education to homeless children. CTS buses pick up their students wherever they are and bring them to and from school; they provide 2 hot meals a day; they provide clean clothes and toiletries, even backpacks. In short, CTS becomes the anchor in the lives of homeless kids. After over 20 years of bouncing from church basement to church basement, CTS built a permanent home in NE Portland, financed using NMTCs. I'll never forget arriving at the ribbon cutting for CTS' brand new school and being greeted by a young lady, probably 5<sup>th</sup> or 6<sup>th</sup> grade, and her asking "would you like a tour of *my new school*?" The pride in her voice took my breath away. To her, this school was everything. Madam Chairwoman, members of the Committee - this is what we do with New Markets Tax Credits. We help organizations that help give people hope, whether through a job, social services, or education, or a combination of these things.

I'm currently working on another project, for another school, that absent State NMTCs, may never get off the ground. Serendipity Center is a therapeutic school serving at-risk students whose complex needs prevent success in other academic settings. Not only do they provide education to kids aged 5-21 in a supportive and nurturing environment, Serendipity provides therapeutic services that are woven together with their education services and tailored to each student's individual needs. I know how powerful Serendipity's approach is because my disabled son graduated from Serendipity after nearly being expelled from high school. For kids like my son, Serendipity is often their last chance for an education, for avoiding the stigma of failing out of school and what that means for their future. And Serendipity, which serves kids from 20 school districts, is bursting at the seams. We have been working with Serendipity to put together financing for a new school that would allow it to serve twice as many students. While CDEs with Federal NMTC allocation have expressed interest in the project, absent the additional

investor equity that would come with State NMTCs, this project may never get off the ground, or if it does, it will likely be much smaller than planned, and serve far fewer students.

This points to perhaps the most powerful reason for renewing the Oregon State NMTC program. With the Treasury Department's CDFI Fund encouraging CDEs to commit Federal NMTC allocation to underserved states, which Oregon is not, the addition of State NMTCs can be the difference maker in bringing Federal NMTC allocation to projects in Oregon.

So for Serendipity Center, the kids it serves, and the many other outstanding organizations serving residents of our low-income communities, I ask that you support renewal and expansion of the Oregon Low Income Community Jobs Initiative.

Thank you.