



CITY OF
PORTLAND, OREGON

PORTLAND HOUSING BUREAU

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Senator Mark Hass, Chair
Senate Committee on Finance and Revenue
900 Court Street, NE, Hearing Room A, Salem, OR 97301

RE: SB 118

Dear Chair Hass and Members of the Committee:

Thank you for the opportunity to comment on SB118, which would exclude school district taxes from state authorized property tax exemptions. The Portland Housing Bureau has significant concerns about the provisions of the bill as introduced and the impact on the economic attractiveness of local affordable housing programs.

Oregon—and Portland—continue to experience a housing crisis. Portland currently implements the Nonprofit Corporation Low Income Affordable Housing program under the authorization of 307.540-.548, the Multiple-Unit Limited Tax Exemption program under the authorization in ORS 307.600-.637 and the Single-Unit Limited Tax Exemption program as authorized in ORS 307.651-307.687. The Multiple-Unit program is a key component to the inclusionary housing policy for new development recently adopted by City of Portland based on legislation approved in 2016. Changing the structure for the Multiple-Unit program could lead to significant adverse effects on development activity due to a reduced economic offset to affordability requirements, or force a recalibration of a major policy only adopted by City Council in December of 2016.

The City in partnership with Multnomah County establishes relatively conservative caps on all tax exemption programs, providing certainty for all taxing jurisdictions, and ensuring the public benefits of the tax exemptions are not offset by significant foregone revenue. Extensively calibration and analysis regularly occurs, and when it is determined the public benefit no longer outweighs the cost, the programs are restructured.

We respectfully urge you not to move SB 118 forward. Thank you for consideration of these comments.

Sincerely,

Kurt Creager,
Director, Portland Housing Bureau