



April 17, 2017

Dear Chair Keny-Guyer and members of the Human Services and Housing Committee:

We are writing to update our position on HB 2377 with the -3 amendments. We greatly appreciate the good intent behind this bill and its focus on increasing housing opportunity in rural areas, while maximizing local control and flexibility. As amended, we now support the bill, but we do still have some concerns, which we hope can be addressed during rulemaking.

First, we'd suggest that the local option tax exemption structure should be aligned so that it matches the structure of others that are already in statute.

As nonprofit developers working statewide with a diverse range of local jurisdictions, we are always seeking a balance of flexibility and uniformity. One of our problems is that each county or city doing affordable housing differently means each property is treated differently. This means it's more expensive for us in Asset Management; it means that one project may not get done at all if a local jurisdiction is quite different, and it means that some properties may not have the same level of services as other properties because it can't cash flow like others.

A second concern with the bill would be to clarify whether the exemption applies only to the improvements or the full value of the property. Again, while we appreciate the bill's intent toward local flexibility, we have found with other housing bills that when they are silent about whether the jurisdiction can do one thing or another, rather than interpreting that as freedom/flexibility, there is uncertainty at the local level about what is allowed and this leads to delays or inaction in using the tool.

And third, we'd suggest that rulemaking clarify that assessors should use the published area median income (AMI) as is common practice. Also, to provide greater flexibility in rural areas where incomes are lower, we suggest allowing rural counties to choose the local or state AMI, whichever is higher (e.g., 80% of state median income in a rural county is a much lower income than in the metro area, which can result in the unintended consequence of disqualifying rural families from eligibility for the housing).

The issue with the AMIs is that they are already published and available through federal and state agencies as the standard for affordable housing. Again, this could be clarified in rulemaking so that jurisdictions know they don't have to create their own system and can just use the existing numbers.

We greatly appreciate Rep. David Brock Smith's thoughtful consideration and courtesy in reaching out to us regarding this bill, and look forward to supporting the successful implementation of this bill if it moves forward into statute.

As always, thank you very much for considering our testimony.

Sincerely,

A handwritten signature in cursive script that reads "Jerome Brooks".

Jerome Brooks
Executive Director

Oregon ON member organizations

Statewide

CASA of Oregon
Cascadia Behavioral
Healthcare
Catholic Charities
Enterprise Community
Partners
Habitat for Humanity of
Oregon
Housing Development
Center
NOAH (Network for
Oregon Affordable
Housing)
Northwest Housing
Alternatives
Rural Community
Assistance Corporation

Central & Eastern Oregon

Columbia Cascade
Housing
Community Connection
of NE Oregon
Housing Works
NeighborImpact
UGMW Nonprofit
Development
Corporation

Coastal

Northwest Coastal
Housing
Community Action
Team, Inc.

Southern Oregon

ACCESS
Housing Authority of
Jackson County
NeighborWorks Umpqua

Willamette Valley

Catholic Community
Services Foundation
Community Home
Builders
Cornerstone Community
Housing
Farmworker Housing
Development
Corporation
Housing and Community
Services of Lane County
(HACSA)
Integrated Supports for
Living, Inc.
NEDCO
Polk CDC
St Vincent de Paul of
Lane County

Willamette
Neighborhood Housing
Services

Portland Metro

Bienestar
BRIDGE Housing
Central City Concern
Community Housing
Fund
CPAH
Habitat for Humanity
Portland/Metro East
Hacienda CDC
Home Forward
Housing Authority of
Clackamas County
Housing Authority of
Washington County
Human Solutions, Inc.
Innovative Housing, Inc.
NAYA Family Center
PCRI
Portland Housing Center
Proud Ground
REACH Community
Development
ROSE Community
Development
Sabin CDC

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