



HOUSING ALLIANCE

June 2, 2017

Joint Committee on Tax Credits
Oregon State Legislature
900 Court Street NE
Salem, OR 97301

Re: HB 2852A

Dear Co-Chair Hass, Co-Chair Barnhart, Members of the Committee:

I am writing to you today on behalf of the Oregon Housing Alliance to express our strong support for HB 2852A. HB 2852A would extend the sunset until 2026, and would increase the cap to \$25 million.

The Oregon Housing Alliance is a coalition of more than eighty organizations from all parts of the state. Our members have come together with the knowledge that housing opportunity is the foundation on which all of our success is built – individual success as students, parents, workers, and community members as well as the success of our communities. We represent a diverse set of voices including residents, local jurisdictions, non-profit housing developers, and organizations working to meet basic needs in every corner of our state.

We believe that all Oregonians need a safe, stable, and affordable place to call home. As you know today, we simply don't have enough affordable homes for people who need them. One in four renters in Oregon pay more than 50% of their income towards rent, leaving very little left over for basics like food, medicine, and transportation costs.

We can do more to provide this opportunity for all Oregonians. We have a strong network of affordable housing developers across Oregon, and with more resources, we could build more affordable homes for the Oregonians who need them.

The Oregon Affordable Housing Tax Credit is a proven and effective tool. Since 1989, the OAHTC has helped provide thousands of Oregonians safe, and affordable housing by directly lowering the rents.

The credit is awarded to an affordable housing developer by Oregon Housing and Community Services, our state's housing finance agency. The developer then finds a lending institution to provide a mortgage loan for the development. In exchange for the credit, the bank lowers the interest rate on the loan by up to 4%. The tax credit claimed by the bank is equal to the amount of interest rate reduction given on the mortgage. The developer reduces the rent for tenants by the amount saved as a result of the reduction of the interest rate. The credit is claimed by the lender once the mortgage loan closes.

The credit provides a long-term benefit, and keeps rents lowered for tenants for twenty years. The credit lowers rent as soon as the project is completed, meaning tenants benefit as soon as they move in. The credit also helps preserve and facilitate the development of additional affordable homes for Oregonians.

Since 1989, the credit has helped to build over 17,000 units, and 41% of the projects were built in rural communities, defined for this calculation as a community with a population of less than 50,000.

The credit was reviewed by the House Committee on Human Services and Housing, including a workgroup which was led by Representatives Meek and Noble. A summary of that process is included with my testimony for the record.

Increasing the cap from the current cap of \$17 million will give OHCS critical resources to build additional affordable housing across Oregon. The credit is also a very effective tool to help preserve existing affordable housing, as well as to help purchase manufactured home parks in order to ensure they continue to be affordable. We absolutely need to increase our supply of affordable housing, and this is a critical tool to help accomplish that goal. It is a priority of the Housing Alliance to extend the sunset on this credit and increase the cap.

Thank you very much for your time and for your service to the state.

Sincerely,

A handwritten signature in black ink that reads "Alison McIntosh". The signature is written in a cursive, flowing style.

Alison McIntosh
On Behalf of the Oregon Housing Alliance

Housing Alliance Members

1000 Friends of Oregon
211info
A Community Together (Lane County)
Aging in the Gorge
Benton County Health Department
Benton Habitat for Humanity
Bienestar
Bradley Angle
CASA of Oregon
Central City Concern
Church Women United of Lane County
City of Beaverton
City of Eugene
City of Hillsboro
City of Portland
City of Tigard
Clackamas County
Coalition of Community Health Clinics
Coalition of Housing Advocates
Common Ground OR-WA
Community Action Partnership of Oregon
Community Alliance of Tenants
Community Energy Project
Community Housing Fund
Community Partners for Affordable Housing
Community Vision
Cornerstone Community Housing
Ecumenical Ministries of Oregon
Enterprise Community Partners
Evolve Property Management
Fair Housing Council of Oregon
Farmworker Housing Development Corp.
FOOD for Lane County
Habitat for Humanity of Lincoln County
Habitat for Humanity of Oregon
Habitat for Humanity Portland/Metro East
Hacienda CDC
Housing Authority of Clackamas County
Housing Development Center
Human Solutions
Immigrant & Refugee Community Organization
Impact Northwest
JOIN

Lane County Health and Human Services
League of Women Voters of Oregon
Lincoln County
Mainstream Housing Inc.
Metro
Momentum Alliance
NAYA Family Center
Neighborhood Economic Development Corp.
Neighborhood Partnerships
NeighborImpact
NeighborWorks Umpqua
Network for Oregon Affordable Housing
Nightingale Public Advocacy Project
Northwest Housing Alternatives
Northwest Pilot Project
Oregon AFSCME Council 75
Oregon Center for Christian Voices
Oregon Center for Public Policy
Oregon Coalition on Housing & Homelessness
Oregon Council on Developmental Disabilities
Oregon Food Bank
Oregon Housing Authorities
Oregon Law Center
Oregon Opportunity Network
Partners for a Hunger-Free Oregon
Portland Community Reinvestment Initiatives
Portland Homeless Family Solutions
Portland Tenants United
Proud Ground
Raphael House
REACH CDC
St. Vincent de Paul of Lane County, Inc.
ShelterCare
Sisters Habitat for Humanity
Sponsors, Inc.
SquareOne Villages
Street Roots
Transition Projects
Urban League of Portland
Washington County
Welcome Home Coalition
Willamette Neighborhood Housing Services