



All Oregonians need a safe, stable, and affordable place to call home. Home is the foundation of opportunity. Today, we simply don't have enough affordable homes for people who need them, and one in four renters pay more than 50% of their income towards rent, leaving very little left over for basics like food, medicine, and transportation. We need additional resources to build enough safe, stable, and affordable homes for Oregonians across the state.

Oregon should invest more in housing opportunity through proven and effective tools like the Oregon Affordable Housing Tax Credit (OAHTC). This tax credit has many benefits: it enables the development and preservation of more affordable housing, it directly benefits the residents, and it encourages the involvement of private lenders in affordable housing.

**Since 1989, the OAHTC has helped to develop over 16,800 units in 34 counties across Oregon. 41% of these projects were built in rural communities.**

### How it works

- Oregon Housing and Community Services (OHCS) is Oregon's housing finance agency. They finance and build affordable housing across Oregon. OHCS manages the Oregon Affordable Housing Tax Credit, and awards the credit to affordable housing developers as part of a financing package designed to get projects built.
- Once an affordable housing developer is awarded a tax credit, they begin discussions with Oregon lending institutions, and in exchange for the credit, the lending institution agrees to lower the interest rate on the mortgage loan by up to 4%. At the end of the year, the lending institution claims the direct amount of interest revenue they have forgone as a credit on their taxes.
- The affordable housing developer takes the savings that result from the lowered interest rate, and directly lowers the rent of residents who live in the project.
- If the project is a manufactured home park that doesn't have regulated rents, or if the residents have tenant based rent assistance vouchers, there is no pass-through requirement, and in these instances, this tool lowers the amount of additional resource needed to ensure this housing remains affordable.

### Why is it effective?

Lower rent for tenants means that households are paying less of their income towards housing, leaving more money to make ends meet. The OAHTC helps achieve this goal by directly lowering the rents as a result of the credit. The credit provides a long-term benefit, and keeps rents lowered for tenants for twenty years.

### What needs to be done

The Legislature should pass HB 2852, and act to renew the Oregon Affordable Housing Tax Credit until 2026, and expand the credit's cap to \$25 million per year to build more affordable homes. The bill also proposes to increase the impact of the credit by allowing OHCS to auction credits to raise additional revenue for affordable housing. Credits that have been awarded to projects but are not yet being used because the project is in development will be allowed to be sold at auction by the Department of Revenue. The proposal directs OHCS to prioritize the auction proceeds to be used to preserve manufactured home parks and replace manufactured homes. This proposal will generate critical additional resources for affordable housing.