



June 2, 2017

To: Oregon Legislative Joint Tax Committee
Fr: Sean Hubert, Chief Housing and Employment Officer, Central City Concern

Re: HB 2852 (OAHTC)

I am writing today in support of HB 2852.

Central City Concern is both an affordable housing provider and a Federally Qualified Healthcare Center for the homeless. We've been around since 1979 and serve about 13,000 people each year through one or more of our services. We operate about 1,800 units of affordable housing in Multnomah and Clackamas counties and specialize in providing very low barrier and low cost housing to people either homeless or at risk of homelessness.

A lot of attention has been given recently to affordable housing. But all affordable housing is not created equal. Because it requires less public subsidy, all too often the most frequent kind of affordable housing that gets built is housing affordable to people at 60% of area median income. In Portland, this equates to an income of about \$31,000 per year. And while this kind of housing is needed, it does little to address people living in homelessness, or on the precipice of crisis, or in deep poverty and at risk of homelessness. These households need rents more deeply affordable than 60% MFI. (For reference that's about \$990 per month for a 2BD or 77% of a minimum wage earner's after tax pay or 135% above the monthly income for someone on SSI.) And one way of achieving more deeply affordable rents has been the Oregon Affordable Housing Tax Credit, which efficiently translates interest savings into directly lower rents for residents.

And this kind of resource is critical. Because Oregon needs to focus on more than just a unit production strategy. Oregon needs affordability strategies that respond to critical community needs. We need to be producing homes that respond to the needs of populations most at risk, and most impacted by the affordability crisis we find ourselves in. And the OAHTC has been a very effective tool in helping to ensure that projects include more deeply affordable rents that can serve a broader spectrum of a community's housing need.

I have been working at CCC for the past 10 years, and have been working in affordable housing in this state for over 20. And over that time I have seen the value of the OAHTC program firsthand. I have seen it provide housing for families that otherwise would not have been able to afford the higher rents that would have resulted had the OAHTC not been available. It is a unique tool whose sole purpose is to drive at deeper affordability.



At Central City Concern, we have used it to provide rents as low as \$390 per month, enabling us to provide housing for people coming off of the street and working through addiction or mental health recovery programs, enabling them to stabilize and then work on improving their income over time.

We find ourselves here in this state at a very serious inflection point, with literally tens of thousands of households moving closer to housing instability due to rents that are rapidly outpacing incomes. In Portland, we've seen too many instances of rents doubling overnight - going from \$700 to \$1,400 or more per month. And we've been in the top 2 or 3 fastest appreciating rental markets in the nation for the past 5 years. And looking across the state, more than half of renters are now rent burdened, meaning more than 30% of their income is going towards housing costs, and Oregon is now 4th in the nation in per capita rates of homelessness.

In closing, Oregon needs not just a housing production strategy, we need an affordability strategy. And the OAHTC has and can continue to play a large and increasing role as proposed in this bill. I strongly urge you to support this bill, which extends and strengthens this important affordability tool.