

HB 2315 STAFF MEASURE SUMMARY

Carrier: Sen. Gelser

Senate Committee On Human Services

Action Date: 05/24/17
Action: Do pass.
Vote: 3-0-2-0
Yeas: 3 - Dembrow, Gelser, Monnes Anderson
Exc: 2 - Knopp, Olsen
Fiscal: No fiscal impact
Revenue: No revenue impact
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WHAT THE MEASURE DOES:

Permits lender financing affordable housing occupied by tenants receiving housing vouchers to maintain eligibility to claim the Oregon Affordable Housing Tax Credit. Applies to tax years beginning on or after January 1, 2018. Takes effect 91st day following adjournment *sine die*.

ISSUES DISCUSSED:

- Affordable Housing Tax Credit as one of only two dedicated state resources for affordable housing
- Current operation of tax credit
- Current administrative rules on Affordable Housing Tax Credit
- Technical adjustment

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Affordable Housing Tax Credit can be claimed by lending institutions with respect to loans for construction, acquisition, and rehabilitation of multi-family rental housing development projects. To be eligible, the lending institution provides a reduced interest rate on loans to affordable housing developers or owners, which saves money. The owner is required to pass on the total savings to tenants in the form of reduced rent, and report this calculation to Oregon Housing and Community Services (OHCS). OHCS then issues a certificate for the lender. OHCS reports that the tax credit program is currently capped at \$17 million, which has mostly been passed on to tenants; however, miscalculations can sometimes occur when housing owners or developers account for subsidies (vouchers) that some tenants receive to assist with rental payments, which can affect the lender's eligibility to claim the tax credit.

House Bill 2315 permits lenders that finance affordable housing projects to maintain eligibility for the Affordable Housing Tax Credit when units are occupied by tenants who receive housing vouchers beginning January 1, 2018.