



John VanLandingham
Staff Attorney
Lane County Legal Aid/Oregon Law
Center
376 East 11th Ave
Eugene, OR 97401
P: 541-285-8445 (cell)
johnvl@oregonlawcenter.org

**Testimony in Support of HB 4028
House Committee on Revenue
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Chair Barnhart, and Members of the Committee:

On behalf of the Oregon Law Center (OLC), thank you for the opportunity to testify this afternoon in support of House Bill 4028

OLC is a non-profit law firm whose mission is to achieve justice for low-income communities of Oregon by providing a full range of the highest quality civil legal services.

1. These comments are in regard to HB 4028, Section 4, amending ORS 317.097, the Oregon Affordable Housing Tax Credit (“OAHTC”). The Oregon Law Center, the Housing Alliance, and the Network for Oregon Affordable Housing (“NOAH”) requested this legislative “fix.”
2. The OAHTC, originally adopted by the legislature in 1989, is an important funding tool for developing and preserving affordable housing in Oregon, by encouraging private lenders to invest in affordable housing and by helping to make affordable housing financially viable.
3. Subsection (14) of ORS 317.097 permits the use of the OAHTC to preserve manufactured dwelling parks by nonprofit corporations (such as St. Vincent de Paul of Eugene), the state or a local government, a housing authority, or a Manufactured Dwelling Park Nonprofit Cooperative Corporation (aka a resident-owned co-op).
4. Subsection (14) was adopted by the legislature in 2009, as an additional use of the OAHTC. It was developed as part of an extensive

legislative response, over several sessions, to address the MH park closure crisis of 2005 to 2008 by promoting ownership by entities that would own and operate the parks as parks forever, rather than close and redevelop them. The groups that developed this language included Oregon Housing and Community Services, NOAH, legislators, and park resident advocates. I did the drafting and explained the change to the 2009 legislature.

5. Unfortunately, I failed to include, as one of the entities eligible to use the OAHTC for MH park purchase, a single asset entity such as an LLC or limited partnership, owned by the listed eligible entities (nonprofits, MDPNP co-ops, PHAs). Single asset entities are a common method of developing real property and are expressly already allowed for other eligible users of the OAHTC. See ORS 317.097 (1) (h).

6. The technical fix intended for HB 4028 (4) is to amend subsection (14) to allow single asset entities to use the OAHTC for MH parks.

7. Unfortunately, as drafted, HB 4028 will need to be amended to accomplish this fix. We have submitted language to Legislative Counsel, thanks to Chair Barnhart, to correct this.

8. This amendment to ORS 317.097 is important for MH park preservation, but will not increase the usage of the OAHTC program. There should be no fiscal impact on the state.

8. I would welcome questions. Thank you for the opportunity to testify today.

John VanLandingham

Lane County Legal Aid/Oregon Law Center

541-285-8445 (c)

johnvl@oregonlawcenter.org

f/john/HB 4028 re OAHTC and MHP.02052018

