

The Honorable Nancy Nathanson
Chair House Revenue Committee
c/o The Legislative Revenue Office
900 Court St NE
Salem, OR 97301

February 6, 2020

Subject: Oregon House Bill 4010, Relating to Opportunity Zones

Dear Ms. Nathanson:

BRIDGE Housing respectfully provides testimony to Oregon House Bill 4010 relating to the decoupling of the federal Opportunity Zone (OZ) program for Oregon tax purposes.

BRIDGE Housing is an affordable housing developer with 651 units within 5 properties in the state of Oregon. We are proud to serve low and very low income families in our developments, with 95% of our residents in OR qualifying into that income range. Since 1983, BRIDGE Housing has developed over 18,000 units throughout the West Coast and has served an estimated 45,000 low and moderate income individuals since inception.

Since the 2017 Tax Cuts and Jobs Act was passed, BRIDGE has worked diligently with investors to educate and promote usage of the OZ program for the benefit of affordable housing developments. We strongly recommend that a carve out be made that would allow OZ investors to receive tax benefits from both the federal and state if the underlying Qualified Opportunity Zone Business (QOZB) were an affordable housing development. By our estimation, this would create about a 10%-20% bump on the yield of the investment depending on the economics of the project. This bump in yield would incentivize socially minded investors to invest in affordable housing. Through this carve-out a new capital source could be created to support the development of affordable housing in Oregon.

Thank you for the opportunity to comment on this proposed legislation. We look forward in being able to provide any help or clarification in furthering this legislation to help stimulate the creation of affordable housing.

Sincerely,

Cynthia Parker
President and CEO
BRIDGE Housing