



February 17, 2020

Senator Mark Hass, Chair
Senate Finance and Revenue Committee
900 Court Street, NE, HR A
Salem, OR 9730
RE: SB 1531-9 – Support Updates to Local Option Affordable Housing Tax Exemptions

Dear Chair Hass and Members of the Committee:

The League of Oregon Cities (LOC) represents all 241 incorporated cities in the state of Oregon. Across the state, cities are looking for ways to encourage and develop a variety of housing types, including much needed affordable rental housing and homeownership opportunities.

The LOC supports updates to local property tax exemptions for affordable housing to better align with federal resources and increase flexibility for development in tight real estate markets. Sections 1-4 of the -9 amendments include important updates to existing local option property tax exemptions (ORS 307.515 and ORS 307.540) that align with new federal Low-Income Housing Tax Credit (LIHTC) rules. In addition, we support increasing flexibility in the Homebuyer Opportunity Limited Tax Exemption (HOLTE) in Sections 7-10 to extend the construction period eligibility if progress is being made with construction.

These updates will allow cities and developers to better align and leverage critical federal resources and increase flexibility for affordable development. We urge your support for these updates in SB 1531 and the -9 amendments.

Sincerely,

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