



Date: June 21, 2021
To: Senate Finance and Revenue Committee, Chair Burdick and Members
From: Laurie Wimmer, OEA Government Relations
RE: *HB 2438 [Rural County Housing Affordability Project]*

On behalf of OEA's 41,000 members, I am honored to testify in support of HB 2438, which would enable a select number of small rural frontier counties to offer temporary property tax abatements as a part of the "Everyone Gives a Little Program" to build affordable housing.

Frontier counties cannot, we are told, build affordable homes for less than the market value of the finished product, which limits supply and bars financing for middle-income workers, such as teachers, who need such housing. The small demonstration project being supported by this legislation is a creative rethinking of ways for public bodies to remedy this problem by foregoing some fees and taxes temporarily, involving CTE students in the construction of a small number of homes, and helping to make the cost of construction come in below ultimate asking price.

Though a small amount of school districts' local tax revenue will be foregone under this bill, we believe that the benefit outweighs the loss. The property tax losses are spread throughout the state through the formula for the State School Fund, lessening the impact of this temporary tax abatement. We also appreciate that Rep. Smith lowered the buyer qualification threshold at our request, to truly target middle-income buyers.

Should this program – essentially a pilot of the new concept – be the success we all hope it will be, there may be a move to expand the program beyond these frontier counties in the future, even to places in which the cost-to-value ratio is not upside down. We would not support that kind of expansion; our support for this bill is expressly a recognition of this limited remedy's unique fit for a regional problem.

With that caveat, we urge this committee to send HB 2438 to the floor with a do-pass recommendation.

Thank you.