



Wednesday, January 25, 2022

*Sheila Stiley, Board
chair – NW Coastal
Housing*

*Kymerly Horner,
Vice-chair - Portland
Community
Reinvestment Inc.*

*Rachael Duke,
Secretary -
Community Partners
for Affordable
Housing*

*Kristy Rodriguez,
Treasurer - Housing
Authority of Malheur
& Harney Counties*

*Trell Anderson –
Northwest Housing
Alternatives*

*David Brandt -
Housing Works*

*Wakan Alferes -
Homes for Good*

*Rita Grady – Polk
CDC*

*Maria Elena Guerra -
Farmworker Housing
Development Corp*

*Nkenge Harmon
Johnson – Urban
League of Portland*

*Brad Ketch –
Rockwood CDC &
Community Dev.
Corp. of Oregon*

*Erica Mills –
NeighborWorks
Umpqua*

*Shannon Vilhauer –
Habitat for Humanity
Oregon*

Representative Maxine Dexter
Chair, House Housing and Homelessness Committee
900 Court St NE, H-283
Salem, OR 97301

Dear Honorable Chair Dexter and members of the Committee:

Housing Oregon endorses both HB 2465 and HB 2466. The interest in developing new housing projects with a limited equity cooperative model has exploded over the past few years, especially due to the great work of Square One Villages. These two bills extend existing development tools to be inclusive of this limited equity cooperative model. Limited equity cooperatives (LECs) have a number of advantages that greatly benefit the residents, and these bills will help developers utilize an underused resource for addressing our state's housing affordability crisis.

As the membership-based statewide association of affordable housing nonprofit developers committed to serving and supporting low-income Oregonians across the housing needs spectrum – from homeless to homeowner – Housing Oregon urges you to support HB 2465 & HB 2466 which extend several existing development incentives to limited equity cooperatives, one of very few housing models that creates a pathway for resident ownership for low income populations, providing stability and affordability for the long term.

HB2466 seeks to amend the Low-income Rental Housing Property Tax Exemption to also include housing owned by LECs serving very low-income households. This bill would provide a valuable tool for LECs by allowing them to pass on the savings from the property tax exemption to the residents, helping to create a resident-owned housing option for households under 60% area median income. By providing this exemption to LECs, we are creating an opportunity for low-income households to have access to safe, secure, and affordable housing options.

HB2465 proposes to allow LECs to qualify for Oregon Affordable Housing Tax Credits (OAHTCs) without going through a rental

P.O. Box 8427, Portland, OR 97207

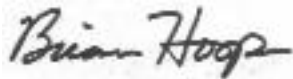
program. This bill would provide LECs with an important tool to reduce the interest rate on their mortgages by 4%, a savings that would be directly passed on to the residents by reducing the monthly carrying charges paid by residents to the co-op. This bill is consistent with the current OAHTCs offered to manufactured dwelling park co-ops and to rental housing projects paired with LIFT Rental. By allowing LECs to qualify for these credits, we are creating a level playing field for all forms of resident-owned housing and helping to preserve long-term affordability for low-income households.

It is anticipated that these proposals will reduce racial disparities in access to homeownership for households of color. Both HB2465 and HB2466 help to lower housing costs providing more opportunities for lower-income households to achieve greater housing stability and to build generational wealth through homeownership. Communities of color are disproportionately represented among low-income households.

In conclusion, we strongly urge this committee to support HB2466 and HB2465. These bills are vital in addressing the housing crisis faced by low-income households in our state and will provide them with the opportunity to have a safe and affordable place to call home.

Thank you very much for your consideration of our comments, and for your service to our state. You can reach me at 503-475-6056 or brian@housingoregon.org.

Sincerely,

A handwritten signature in black ink that reads "Brian Hoop". The signature is written in a cursive, slightly slanted style.

Brian Hoop
Executive Director
Housing Oregon