

February 2, 2023

House Committee on Revenue
900 Court Street
Salem, OR 97301

RE: Opposition to HB 2548

Chair Nathanson, Vice-Chairs Reschke and Walters, Members of the Committee:

Welcome Home Coalition, over 80 nonprofit organizations in the Portland Metro Region working together to ensure everyone has access to affordable and stable housing, opposes HB 2548. Section 3 of HB 2548 would repeal Metro's authority to use a local income tax. In recent years, Metro partnered with stakeholders to ask voters to support housing for our region's vulnerable community members. Historically, local systems of homeless services and affordable housing have been deeply underfunded compared to the funding that is needed. In 2018, Metro voters approved a \$652.8 million affordable housing bond. In May 2020, voters in greater Portland approved a Supportive Housing Services (SHS) measure to fund services for people experiencing or at risk of homelessness. The measure creates a 1% marginal tax on high-income earner and a 1% tax on net income from businesses within Metro's jurisdiction who have over \$5 million in gross receipts from both within and outside the Metro jurisdiction. The tax sunsets after 10 years.

Funds from the SHS measure can be used for supportive services such as outreach and emergency shelter, placement into housing and help paying rent, advocacy and case management and services in the areas of mental health, physical health, language and culture needs, education, employment, addiction and recovery, tenant rights and others. Metro's local income tax has allowed local stakeholders to address the homelessness crisis. A local income tax is a tool in the toolkit we cannot afford to lose as Metro revenues are constrained by the property tax system, like many other local jurisdictions. If HB 2548 passes, the Metro region will have one less tool to address the homelessness crisis after the SHS measure sunsets in 2030.

The SHS measure funds have become a game changer in our regional response to homelessness and housing instability. It's allowed our member organizations to hire more case managers and outreach workers to allow for the real amount of time it takes to support people in a trauma informed way on a path from homelessness to housing and staying housed. Further, it's allowed for innovative programs to be funded-which have moved hundreds of people out of homelessness with speed and dignity.

We urge your opposition to HB 2548.

Sincerely,

Molly Hogan, Executive Director, Welcome Home Coalition

