



February 21, 2019

Senate Committee on Human Services
900 Court St. NE
Salem, OR 97301

RE: SB 737 Relating to tax exemptions for affordable housing.

Dear Chair Gelser, Vice-Chair Heard, and Members of the Senate Committee on Human Services,

I am writing to share the City of Beaverton's support for Senate Bill 737 which would renew two local option property tax exemption statutes and extend the sunset on the current general charitable exemption.

Housing affordability is a state-wide challenge, which has hit Beaverton dramatically. Maintaining and expanding affordable housing tools are a priority. One such priority is maintaining the ability to provide relief to qualified properties in the form of property tax exemption for the purpose of incenting development of regulated affordable rental housing. Property tax exemption is a powerful tool that reduces ongoing operating costs and thereby facilitates lower rental rates.

With concern over the affordability of the city's housing stock, the city commissioned a Housing Strategies Report in 2015. That report assessed the city's affordable housing need by comparing the supply for low cost housing with the demand of low income households and found the city had a shortage of 5,100 units that rent at or below \$620/month. More than a third of Beaverton residents are cost burdened, spending more than 30% of their monthly income on housing.

The City has worked diligently to address the issue in part by providing funding to stimulate new affordable housing development and to promote the preservation of existing affordable housing. Since the enactment of the original bill allowing property tax exemptions for the purposes of affordable housing, 314 housing units among five projects have been available with a total of \$188,236 in property tax revenue foregone to the City. With the influx of resources from the Metro Housing Bond, Beaverton will be able to support the addition of diverse housing types and affordability but more needs to be done.

Communities need tools like property tax exemptions to sustain the availability of affordable housing and Senate Bill 737 would support these efforts. Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in blue ink that reads "Cheryl Twete". The signature is written in a cursive, flowing style.

Cheryl Twete
Community Development Director