



HOUSING ALLIANCE

January 24, 2021

House Committee on Housing
Oregon State Legislature
900 Court Street NE
Salem, OR 97301

Dear Chair Fahey, Vice Chair Morgan, Vice-Chair Campos, Members of the Committee:

I am writing to you today on behalf of the Oregon Housing Alliance to express our support for HB 2446, which extends the sunset date until 2028 for a property tax exemption for affordable housing.

The Oregon Housing Alliance is a coalition of more than ninety organizations from all parts of the state. Our members have come together with the knowledge that housing opportunity is the foundation on which all of our success is built – individual success as students, parents, workers, and community members as well as the success of our communities. We represent a diverse set of voices including non-profit housing developers, residents of affordable housing, local jurisdictions, and organizations working to meet basic needs in every corner of our state.

We believe that all Oregonians need a safe, stable, and affordable place to call home.

Prior to the COVID-19 pandemic, we knew that already, too many seniors, families, and people who experience disabilities were paying too much of their income towards rent, and were experiencing other forms of housing instability. In Oregon, three out of four households with extremely low incomes pay over half of their income towards rent. When people pay that much of their income towards rent, they have too few resources left over for food, medicine, or utilities. An emergency of a few hundred dollars may mean they end up experiencing homelessness.

Across Oregon, we simply do not have enough affordable and available homes for every household who needs one. For many decades, though, organizations across Oregon, affordable housing developers and public housing authorities have been building safe, stable, and affordable homes. These rental homes receive public funds, and in exchange, follow strict rules about the incomes of people who qualify for the housing, and how much rent can be charged. We have many local, state, and federal tools to help pay for the development of these apartment homes, although the need for these homes is far greater than the currently available resources. Property tax exemptions are one tool to help incentivize and make financially viable affordable housing developments across our state, and over the years, the Legislature has authorized several property tax exemptions for affordable housing.

Property tax exemptions for affordable housing are critical for several reasons. Exemptions recognize the importance of affordable housing in our communities, and provide an on-going financial subsidy to the project. Without property tax exemptions, affordable housing developers would need additional resources to serve the lowest income members of our communities.

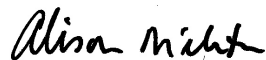
Prior to a development being constructed, developers have essentially solved a complex math problem, pulling together grants, loans, and other sources of funding to purchase land, construct a building, and pay for its ongoing operations with the restricted rents that are paid by the people who will ultimately live in the building. A property tax exemption is one additional tool that supports the development and continued existence of the affordable housing in communities.

This property tax exemption has a unique history. Prior to 2013, many affordable housing developments qualified for a property tax exemption under ORS 307.130, which is the statute which allows non-profit organizations to receive a property tax exemption to support their mission and work. However, due to a change in policy by Department of Revenue, and a subsequent tax court case, in 2013, many affordable housing properties across Oregon were no longer eligible for this exemption.

In 2014, the Legislature approved a bill which has allowed these affordable housing properties to maintain their property tax exemption, supporting their continued financial viability. The policy does not allow any new properties to qualify for an exemption under this section of statute, but simply maintains the existing affordable housing.

We urge you to support of HB 2446, and maintain this important exemption for affordable housing. Thank you very much for your time, and for your service to our state.

Sincerely,



Alison McIntosh
On Behalf of the Oregon Housing Alliance

Housing Alliance Members

1000 Friends of Oregon
211info
Aging in the Gorge
Benton Habitat for Humanity
Bienestar
Bradley Angle
BRIDGE Housing
Business for a Better Portland
CASA of Oregon
Central City Concern
Chrisman Development
Church Women United of Lane County
City of Beaverton
City of Eugene
City of Forest Grove
City of Hillsboro
City of Hood River
City of Portland
City of Tigard
Clackamas County
Coalition of Community Health Clinics
Coalition of Housing Advocates
College Housing Northwest
Community Action Partnership of Oregon
Community Action Team
Community Alliance of Tenants
Community Development Partners
Community Housing Fund
Community Partners for Affordable Housing
Community Vision
Cornerstone Community Housing
DevNW
Ecumenical Ministries of Oregon
Enterprise Community Partners
Fair Housing Council of Oregon
Farmworker Housing Development Corp.
FOOD for Lane County
Habitat for Humanity of Oregon
Habitat for Humanity Portland/Metro East
Hacienda CDC
Home Forward
Homes for Good
Housing Authorities of Oregon
Housing Authority of Clackamas County
Housing Development Center
Housing Oregon
Human Solutions
Immigrant & Refugee Community Organization
Impact Northwest
Innovative Housing, Inc.
Interfaith Alliance on Poverty
JOIN
Lane County Health and Human Services
League of Oregon Cities
League of Women Voters of Oregon
Lincoln County
Looking Glass Community Services
Mainstream Housing Inc.
Metro
Mid-Columbia Housing Authority
NAYA Family Center
Neighborhood Partnerships
NeighborImpact
NeighborWorks Umpqua
Network for Oregon Affordable Housing
Northwest Housing Alternatives
Northwest Pilot Project
Oregon AFSCME Council 75
Oregon Coalition of Christian Voices
Oregon Center for Public Policy
Oregon Coalition on Housing & Homelessness
Oregon Council on Developmental Disabilities
Oregon Food Bank
Our Children Oregon
Partners for a Hunger-Free Oregon
Portland Community Reinvestment Initiatives
Portland Homeless Family Solutions
Proud Ground
Raphael House
REACH CDC
Residents Organizing for Change (ROC Oregon)
Rogue Action Center
Rose CDC
St. Francis Shelter
St. Vincent de Paul of Lane County, Inc.
ShelterCare
Sisters Habitat for Humanity
Sponsors, Inc.
SquareOne Villages
Street Roots
Think Real Estate
Transition Projects
Washington County
Welcome Home Coalition