



HOUSING ALLIANCE

January 29, 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 2584, which will expand and make important changes to the Oregon Affordable Housing Tax Credit.

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. One in four renters in Oregon pay more than 50% of their income towards rent, leaving very little left over for basics like food, medicine, and transportation costs.

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, how much rent can be charged, and how long the property must remain affordable. 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.

The Oregon Affordable Housing Tax Credit is a proven and effective tool. Since 1989, the OAHTC has helped provide thousands of Oregonians safe, and affordable housing by directly lowering the rents.

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The credit is awarded to an affordable housing development by Oregon Housing and Community Services, our state's housing finance agency. The developer takes that award, and finds a bank to provide a mortgage for the property. In exchange for the credit, the bank lowers the interest rate on the loan by up to 4%. The credit that the bank claims is equal to the amount of interest rate reduction they give the affordable housing project. The developer then takes that same amount of interest rate reduction, and passes that benefit through to the residents of the project in the form of lowered rents. Once the project closes, OHCS considers the credit certified, and the bank begins to claim the credit against their state tax liability.

The credit provides a long-term benefit, and keeps rents lowered for tenants for twenty-years. The credit lowers rent as soon as the project is completed, meaning tenants benefit as soon as they move in. The credit also helps preserve and facilitate the development of additional affordable homes for Oregonians.

Since 1989, the credit has helped to build over 19,000 units, and during an in depth look at the program in 2017, at that time 41% of the projects had been built in communities with a population of less than 50,000 people.

HB 2584 increases the cap on this program to \$35 million per year and makes two technical changes to improve the effectiveness of the program.

Increasing the cap will give OHCS critical resources to build additional affordable housing across Oregon. The credit is also a very effective tool to help preserve existing affordable housing, as well as to help purchase manufactured home parks in order to ensure they continue to be affordable. We know we absolutely need to increase our supply of affordable housing, and this is a critical tool to help us do that.

We urge you to support HB 2584. 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