



Ag Workforce Housing: Why not make this a budget item?

Senate Committee on Natural Resources – Jody Wiser – 2.13.2023

Even Congress has agreed that appropriations are better than tax credits when one is writing legislation for non-profits and governments. Those who put solar panels on the roofs of charities and schools no longer have to deal with selling tax credits – at a discount – enriching banks, complicating funding packages, and raising the cost of projects.

It's time for the Oregon legislature to make the same move away from tax credits for non-profits. This legislation is a prime opportunity for that change.

Having to deal with tax credits is one of the complications of building low-income housing that makes the cost per square foot higher than it should be. Technically, agricultural housing developers don't "sell" the workforce housing tax credits before you today, they transfer them to a partner. According to the excellent information on this tax credit prepared by the Legislative Revenue Office in its [Tax Credit Review: 2023 Oregon Legislative Session](#) (page 20), 15% to 30% of the value is lost in the transfer of tax credits. That's money for housing that goes to financiers instead of toward sheetrock and appliances. Eighty percent of this tax credit helps non-profits' build community-based housing. Only the 20% of funds set aside for on-farm housing makes any sense as tax credits.

Another issue is the segregation of farmworkers from other members of the community. Why? Most farm workers now have stable jobs, and most rent or own homes in urban communities, according to LRO. Why don't low-income childcare workers, assisted-living workers, and dishwashers live among farmworkers? As the report says, since the agricultural workforce has become less mobile, "the need for affordable agricultural housing is in many ways less different from the overall need in Oregon for affordable housing."

This program could become instead a direct spending program for all low-income workers, combined with the Affordable Housing Lender Credit, another misguided tax credit program up for review this session.

We urge you to send this bill to the Senate Housing Committee for consideration and re-routing to Ways and Means rather than to the Joint Committee on Tax Expenditures.