

Submitter: Gordon Jones

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure: SB611

The public sector should work with and incentivize the private sector, instead of putting all bond and affordable housing money into LIHTC / non-profit projects. Only by attracting private investment capital can we build our way out of the current housing shortage. Private sector projects, unlike non-profit projects, pay property taxes which support schools and services. They are also locally owned and managed and can be refinanced or bought and sold which creates more local community wealth and additional development. LIHTC/non-profit affordable housing never pays taxes, is typically owned by a large bank that utilizes the tax credits to avoid paying federal income taxes (which then fall on the rest of us), are remotely owned typically for a period of 30 plus years and never sold or refinanced to continue building community. We proposed to the City of Portland a model where 40% of the units were restricted to 60% of AMI, and the balance were at market rate. We showed that we could build over 2,000 units of housing in Portland using private sector investment if the City and/or Metro would use bond money to offset some of the costs of the affordable units. We have built this project once, but now the city has removed the incentives that it once offered, and instead has implemented onerous and punitive IH regulations and other landlord restrictive measures. This bill will simply make matters worse, not better.