



House Housing and Homelessness Committee HB 3236 with -3 amendments--Support

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Bill Van Vliet, Executive Director
Network for Oregon Affordable Housing (NOAH)

Chair Marsh, Co-Vice Chairs Anderson and Breese-Iverson, and members of the committee:

My name is Bill Van Vliet, Executive Director of NOAH, the Network for Oregon Affordable Housing. NOAH is a nonprofit lender that provides a wide range of loan programs for affordable housing projects throughout the state. I'm here in support of HB 3236 with the dash 3 amendments.

The Oregon Affordable Housing Tax Credit (OAHTC) is a widely-used state tax credit program that allows banks to reduce interest rates on loans for affordable housing by 4% for 20 years and claim a state income tax credit each year equal to the lost interest income caused by the lower rate.

The lower rate allows building owners to charge lower rents than otherwise would have been possible. I've uploaded to OLIS a handout that I've used for years that describes the program for your reference.

As you heard during the previous public hearing, HB 3236 seeks to provide a narrow expansion of the OAHTC to allow its use with a mortgage fund, such as the Amplify Oregon accelerated mortgage fund for first time homebuyers, using shared appreciation mortgages. With that testimony on record, I'm going to focus today on the two additional changes in the -3 amendments.

The first is simple, it corrects an oversight with the sunset date. During the 2023 session, this credit was reviewed and the sunset extended to 2032 in HB 2071.

The OAHTC has been one of the few tax credits with a sunset date embedded in statute. This amendment removes the date from statute to be consistent with how other tax credits are managed and to rely on the regular review cycle for tax credits currently in practice in the Revenue Committee.

The second change allows OHCS to allocate the credit to existing properties that are experiencing severe financial or physical distress without requiring the typical rent reductions.

While most developments have experienced rapidly increasing expenses such as insurance, utilities, and other costs, many are particularly vulnerable, putting those apartment communities at risk. For properties that meet a defined threshold of distress, this change to the OAHTC provides a cost-effective resource to ensure those properties can continue to serve low-income households.

For over 30 years, the OAHTC has been a powerful tool for developing and preserving affordable housing in Oregon. This proposal seeks to apply those benefits to narrowly defined mortgage funds for first time homebuyers and to help preserve distressed affordable multifamily housing projects.

I urge your support for HB 3236 with the -3 amendments.

Thank you.