

Submitter: Laura Bower
On Behalf Of: Portland Housing Center
Committee: Joint Committee On Tax Expenditures
Measure, Appointment or Topic: SB120

Hello Co-Chair Nathanson, Co-Chair Meek, and Members of the Joint Committee on Tax Expenditures,

My name is Laura Bower and I'm the Homeownership Program Director for Portland Housing Center. Portland Housing Center is an IDA Provider for first time home buyers and we serve the greater Portland metro area. I am here to urge you to raise the cap on the tax credit that funds Individual Development Accounts (IDAs) to at least \$14M, through SB 120-1. This bill is long overdue and will Fix the Funding for IDAs.

The IDA Program has been around since 1999 - it is a long-running program with a proven track record of improving the financial stability of savers all over the state. This is a matched-savings program that provides savers with financial education and individualized support to reach their financial goals. These goals include homeownership, higher education, starting a business, and more. Participants save in a specific savings account and the state then matches their savings at a rate of 5-to-1 to help make these dreams a reality. In the past 25 years, over 19,000 Oregonians have participated in this life-changing program.

Unfortunately, the state tax credit that funds IDAs has not kept pace with inflation. The current tax credit limit of \$7.5M has been the same amount since 2009 - over 15 years. As you know, the cost of everything has increased dramatically since 2009, but specifically the assets that IDA participants save for, like the purchase of a home. This means the number of Oregonians we're able to help with that \$7.5M cap has been falling. So much so that we have had to come back to the legislature multiple times to lobby for stop-gap funding to ensure the program can continue to help savers around the state. Once again, if the Legislature does not act this year, the program will shrink - this time by 50% - and will only enroll fewer than 500 people each year. This bill will ensure we have stable funding going forward for the IDA program.

At PHC, we work closely with IDA participants who are saving for their first home purchase. We provide HUD-certified pre-purchase counseling, financial- and homebuyer-education, and financial services to first time homebuyers - primarily lower income households and individuals who have historically faced systemic barriers to home ownership. Unfortunately, in recent years, the demand for IDAs has outstripped the supply of funds we have for homebuyers. For the last two years, we have been forced to enact a waitlist for participation, reducing the number of

participants we can enroll in the program.

Housing costs and home prices specifically, have skyrocketed in recent years, making the IDA Program more essential than ever. The IDA program works, and has been successful for over 25 years. By raise the cap on the tax credit that funds IDAs to at least \$14M, through SB 120-1, the Legislature can “Fix the Funding” and return the IDA program to solid financial footing. I urge you to pass this bill.

Thank you.

Laura Bower
Homeownership Program Director
Portland Housing Center