



## **Joint Committee on Tax Expenditures SB 120--Support**

June 10, 2025

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

Co-Chairs Meek and Nathanson, 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 SB 120 -1.

Sections 9 and 10 of the amendment address the Oregon Affordable Housing Tax Credit (OAHTC), a widely-used state tax credit program that allows banks to reduce interest rates on loans for affordable housing by 4% and claim a state income tax credit each year equal to the lost interest income caused by the lower rate.

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

Sections 9 & 10 includes two key provisions:

1. It seeks to provide a narrow expansion of the OAHTC to allow its use with a mortgage fund which uses shared appreciation mortgages, such as the Amplify Oregon accelerated mortgage fund for first-time homebuyers.

Amplify Oregon blends traditional bank capital with state funding, doubling the state investment and lowering borrowing costs. By using the OAHTC on the bank portion of the capital, an even lower interest rate will further expand the affordability of the program, allowing these loans to reach a broader range of potential first-time homebuyers.

The following examples compare a standard 30 year mortgage, a standard Amplify mortgage, and an Amplify mortgage if the OAHTC applies:

**Mortgage Comparison:**

<b>Market Mortgage:</b>	Principle	275,000
	Rate	6.89%
	Amortization/Term	360
	Monthly Pmt.	\$1,809

<b>Amplify Mortgage:</b>	Principle	275,000
	Rate	4.95%
	Amortization/Term	240
	Monthly Pmt.	\$1,807

<b>Amplify Mortgage w/OAHTC:</b>	Principle	275,000
	Rate	2.95%
	Amortization/Term	240
	Monthly Pmt.	\$1,518

2. The second change is very important and will allow OHCS to allocate the credit to existing multifamily properties that are experiencing severe financial or physical distress without requiring the typical rent reductions.

Affordable housing developments have experienced rapidly increasing expenses such as insurance, utilities, and other costs, putting many of 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 improve operating cash flow and ensure those properties can continue to serve low-income households.

We have requested one important, but simple amendment to Section 10 (page 13, row 11) to insert the words “*or modified*”, so that it reads “...apply to loans made **or modified** on or after January 1, 2026, ....”

We hope this important change can be included in the final version of the bill.

I urge your support for SB 120-1 with this additional amendment.

Thank you.