



Wednesday, February 8, 2023

Sheila Stiley, Board chair – NW Coastal Housing

Kymberly Horner, Vice-chair - Portland Community Reinvestment Inc.

Rachael Duke, Secretary - Community Partners for Affordable Housing

Kristy Rodriguez, Treasurer - Housing Authority of Malheur & Harney Counties

Trell Anderson – Northwest Housing Alternatives

David Brandt - Housing Works

Wakan Alferes - Homes for Good

Rita Grady – Polk CDC

Maria Elena Guerra - Farmworker Housing Development Corp

Nkenge Harmon Johnson – Urban League of Portland

Brad Ketch – Rockwood CDC & Community Dev. Corp. of Oregon

Erica Mills – NeighborWorks Umpqua

Shannon Vilhauer – Habitat for Humanity Oregon

Senator Kayse Jama
Chair, Senate Housing and Development Committee
900 Court St NE, S-409
Salem, OR 97301

Chair Jama, Vice Chair Anderson, and Members of the Committee:

Housing Oregon supports SB 131, which would extend the sunset for tax credit for affordable housing lenders. Extending the sunset for tax credits is essential to ensure lenders will have the confidence to invest in affordable housing.

Housing Oregon is a membership-based statewide association of over 80 affordable housing community development corporations (CDCs) and ally organizations committed to serving and supporting low-income Oregonians across the housing needs spectrum – from homeless to homeowner. Tax credits, such as the Low Income Housing Tax Credit, are a critical tool for Housing Oregon members to work with lenders to incentivize and make financially viable affordable housing developments across our state.

The federal government issues tax credits to state housing agencies who then award the credits to private developers of affordable rental housing projects through a competitive process. Developers generally sell the credits to private investors to obtain funding. Once the housing project is placed in service (essentially, made available to tenants), investors can claim the LIHTC over a 10-year period.

Prior to a development being constructed, developers have essentially solved a complex math problem, pulling together grants, loans, and other sources of funding to purchase land, construct a building, and pay for its ongoing operations with the restricted rents that are paid by the people who will ultimately live in the building.

In exchange for utilizing tax credits, affordable housing developers follow strict rules about the incomes of people who qualify for the housing, and how much rent can be charged. Households earning up to 80% of the Area Median Income (AMI), are able to rent such regulated

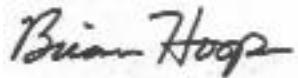
housing as long as the average overall income of residents in a given property is 60% of AMI or below. A household is responsible for paying 30% of the qualifying household income (based on the AMI eligibility tied to the unit).

Tax credits are a primary tool that supports the development and continued existence of affordable housing in communities across Oregon. Without tax credits, affordable housing developers would need additional public resources to serve the lowest income members of our communities.

Housing Oregon urges you to support SB 131.

Thank you very much for your consideration of our comments, and for your service to our state. You can reach me at 503-475-6056 or brian@housingoregon.org.

Sincerely,

A handwritten signature in black ink that reads "Brian Hoop". The signature is fluid and cursive, with "Brian" on top and "Hoop" on the bottom, slightly overlapping.

Brian Hoop
Executive Director
Housing Oregon