



**Northwest
Housing
Alternatives**

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February 5, 2025

Senate Finance and Revenue Committee
Senator Meek, Chair; Senator McLane Vice-Chair; and Committee Members

House Revenue Committee
Representative Nathanson, Chair; Representatives Reschke and Walters, Vice-Chairs; and Committee Members

900 Court Street NE
Salem, OR 97301

Re: Testimony in support extending sunset dates on property tax exemptions that support housing production (SB 104, SB 117, SB 118; HB 2077, HB 2074, HB 2078)

Northwest Housing Alternatives is a nonprofit, community-based, mission-oriented affordable housing developer and owner. With 2,300 units in service to families, seniors, Veterans, and people with disabilities, NHA strongly supports the extension of the sunset dates of existing legislation allowing local jurisdictions to approve property tax exemptions for defined housing types and programming.

Within the last year, the City of Lake Oswego approved property tax exemptions for affordable housing; an election by City Council to recognize the role the city can play to support new and existing affordable housing properties. For the two senior properties owned by NHA (Hollyfield Village and Oakridge Park), the savings will be approximately \$50,000 per year, enough to increase staffing at each property for resident services that support people maintain housing stability, access healthy food, maintain health care enrollment and attend doctor appointments, and engage in their communities.

New affordable housing in Lake Oswego by Mercy Housing and Hacienda CDC will be better supported by similar resident services when savings are recognized from the property tax exemptions and redirected to service in support of housing stability.

Examples of local cities that have adopted property tax exemptions in Clackamas County include the Cities of Oregon City, Wilsonville, Milwaukie, Molalla, and now Lake Oswego as a way to support the long-term livability of their communities for a diverse population needing an array of housing options.

While operating costs for affordable housing have skyrocketed in the past four years, rents remain in check and affordable to households earning less than 60% area median income. Across NHA's portfolio, the average household income is roughly \$18,000 per year.

There are no other revenue options from a property operations perspective to pay for either property taxes or resident services, let alone increases in utility bills, staffing at the property, and property insurance. NHA's portfolio experienced 500% increase in insurance premiums over the past 5 years, we are told due to natural disasters and climate events.

Property tax exemptions are a "local option" approach that allows local jurisdictions the ability to support affordable housing and housing production, a needed tool in the toolbox of financial support and incentives to encourage more affordable housing that is needed in every community across the state.

Please consider approving SB 104, SB 117, SB 118, HB 2077, HB 2074, and HB 2078 to sustain current operations and encourage new production of affordable housing options.

Sincerely,

Trell Anderson

Trell Anderson
CEO/Executive Director