



Wednesday, March 10, 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 Mark Meek

**Representative Nancy Nathanson
Co-Chairs, Joint Committee on Tax Expenditure
900 Court St NE
Salem, OR 97301**

Re: Support for House Bill 2077 – Extend sunset for tax credits for affordable housing lenders

Dear Co-Chairs Meek, Nathanson and Members of the Committee:

Housing Oregon supports HB 2077, which would extend the sunset for Oregon Affordable Housing Tax Credits (OAHTC) 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 OAHTC, are a critical tool for Housing Oregon members to work with lenders to incentivize and make financially viable affordable housing developments across our state.

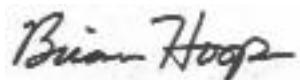
The OAHTC allows banks to reduce interest rates on loans for affordable housing by 4% and claim a state income tax credit equal to the lost interest income caused by the lower rate. Property owners must agree to pass 100% of interest savings to low-income tenants in the form of permanent rent reductions. The lenders and owners derive no direct financial benefit. Nearly all households that benefit from this program earn less than 50% of Area Median Income (AMI), and in many cases, below 30% AMI.

The OAHTC rent savings allow households to be financially stable and not be forced to choose between housing and food, medicine or heat. Without the program, many projects could not be built. Especially in rural communities where incomes are low, decent housing is

unaffordable without this program. The local value from the economic development aspect of affordable housing development must be emphasized.

Housing Oregon urges you to support HB 2077. 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" below it, slightly overlapping.

Brian Hoop
Executive Director
Housing Oregon