



HOUSING ALLIANCE

April 29, 2021

House Committee on Revenue
Oregon State Legislature
900 Court Street NE
Salem, OR 97301

Dear Chair Nathanson, Vice-Chair Reschke, Vice-Chair Pham, Members of the Committee:

I am writing to you today on behalf of the Oregon Housing Alliance to express our support for HB 2551A, which will extend the tax credit for the Oregon Individual Development Account (IDA) Initiative and will make technical changes to improve the Initiative.

The Oregon Housing Alliance is a coalition of ninety organizations from all parts of the state. Our members have come together with the knowledge that housing opportunity is the foundation on which all of our success is built – individual success as students, parents, workers, and community members as well as the success of our communities. We represent a diverse set of voices including housing developers, residents of affordable housing, local jurisdictions, and organizations working to meet basic needs in every corner of our state.

We believe that all Oregonians need a safe, stable, and affordable place to call home.

Prior to the COVID-19 pandemic, we knew that already, too many seniors, families, and people who experience disabilities were paying too much of their income towards rent, and were experiencing other forms of housing instability. In Oregon, three out of four households with extremely low incomes pay over half of their income towards rent. When people pay that much of their income towards rent, they have too few resources left over for food, medicine, or utilities. An emergency of a few hundred dollars may mean they end up experiencing homelessness.

The Oregon Individual Development Account, or IDA, Initiative, is a matched savings program that delivers economic opportunities to low-income individuals and communities of color, by extending the sunset on the IDA tax credit, and committing general fund resources to close the gap for the Initiative.

IDAs offer a hope for a better future for people with low incomes, by supporting them to save for the purchase of an asset.

IDAs allow someone to save, while taking financial education classes, with a goal in mind of purchasing an asset such as a home, an education, or supporting a small business. Their savings are matched from a state fund, which has been funded through a state tax credit.

IDAs are a testament to savers' long term financial health. One year after achieving their goals, 97% of all savers who used their savings for home purchase reported that they were current on their mortgage. 91% of all savers who opened a business reported that their doors are still open.

We know that IDAs are one very effective and important tool that can help people either save for their first home, or save for home repairs to maintain the home they own. Over the years, approximately one third (34%)¹ of savers have used their IDA to purchase their first home. IDAs significantly serve communities of color, with people of color making up the majority (53%)² of IDA savers across Oregon.

The Oregon IDA Initiative has dispersed \$12.1 million in matching funds to over 2,000 Oregon savers in 2018 and 2019 alone. On average, IDA participants are Oregonians with low-incomes, and save \$2,500 over 32 months, earning \$6,010 in matching funds towards their savings goal.

The IDA Initiative has been fortunate to have the continued support of the Oregon State Legislature since 1999, through the continued reauthorization its funding mechanism, a credit on state and local taxes which are granted to taxpayers who contribute to the IDA Initiative.

We are asking for your support to extend the tax credit and make the technical changes included in HB 2551A.

Thank you very much for your time, and for your service to our state, particularly in these challenging times.

Sincerely,



Alison McIntosh
On Behalf of the Oregon Housing Alliance

¹ http://oregonidainitiative.org/wp-content/uploads/2020/10/NP_Evaluation-2Pager_2020_Sept_v03as.pdf
² http://oregonidainitiative.org/wp-content/uploads/2020/10/NP_Evaluation-2Pager_2020_Sept_v03as.pdf

Housing Alliance Members

1000 Friends of Oregon
211info
Aging in the Gorge
Benton Habitat for Humanity
Bienestar
Bradley Angle
BRIDGE Housing
Business for a Better Portland
CASA of Oregon
Chrisman Development
Central City Concern
Children First for Oregon
Church Women United of Lane County
City of Beaverton
City of Eugene
City of Hillsboro
City of Portland
City of Tigard
Clackamas County
Coalition of Community Health Clinics
Coalition of Housing Advocates
College Housing Northwest
Community Action Partnership of Oregon
Community Action Team
Community Alliance of Tenants
Community Development Partners
Community Housing Fund
Community Partners for Affordable Housing
Community Vision
Cornerstone Community Housing
DevNW
Ecumenical Ministries of Oregon
Enhabit
Enterprise Community Partners
Fair Housing Council of Oregon
Farmworker Housing Development Corp.
FOOD for Lane County
Habitat for Humanity of Oregon
Habitat for Humanity Portland/Metro East
Hacienda CDC
Housing Authorities of Oregon
Housing Authority of Clackamas County
Housing Development Center
Housing Oregon
Human Solutions
Immigrant & Refugee Community Organization
Impact Northwest
Innovative Housing, Inc.
Interfaith Alliance on Poverty
JOIN
Lane County Health and Human Services
League of Oregon Cities
League of Women Voters of Oregon
Lincoln County
Looking Glass Community Services
Mainstream Housing Inc.
Metro
Mid-Columbia Housing Authority
NAYA Family Center
Neighborhood Partnerships
Neighborhood Impact
NeighborWorks Umpqua
Network for Oregon Affordable Housing
Northwest Housing Alternatives
Northwest Pilot Project
Oregon AFSCME Council 75
Oregon Coalition of Christian Voices
Oregon Center for Public Policy
Oregon Coalition on Housing & Homelessness
Oregon Council on Developmental Disabilities
Oregon Food Bank
Partners for a Hunger-Free Oregon
Portland Community Reinvestment Initiatives
Portland Homeless Family Solutions
Proud Ground
Raphael House
REACH CDC
Rogue Action Center
Rose CDC
St. Francis Shelter
St. Vincent de Paul of Lane County, Inc.
ShelterCare
Sisters Habitat for Humanity
Sponsors, Inc.
SquareOne Villages
Street Roots
Think Real Estate
Transition Projects
Washington County
Welcome Home Coalition