



House Revenue Committee

HB 3236 A-Engrossed--Support

May 6, 2025

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

Chair Nathanson, Co-Vice Chairs Reschke and Walters, 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 HB 3236 A-Engrossed.

The Oregon Affordable Housing Tax Credit (OAHTC) is 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. On March 24, I uploaded to OLIS a handout that I've used for years that describes the program for your reference.

HB 3236 does three things:

1. The first is simple, it corrects an oversight with the sunset date. The OAHTC has been one of the few tax credits with a sunset date embedded in statute. This amendment removes the date from statute to be consistent with how other tax credits are managed and to rely on the

regular review cycle for tax credits currently in practice in the Revenue Committee.

2. 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.

Karen will speak more about the Amplify program.

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

Mortgage Comparison:

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

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

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

3. The third 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.

I urge your support for HB 3236 which makes these important changes to the OAHTC program.

Thank you.