



The Oregon Affordable Housing Tax Credit (OAHTC): A Smart Choice for Affordable Housing HB 2527

We all benefit from a community in which residents have access to opportunity and a safe, stable place to call home. A range of approaches and options that bring a variety of partners together to build and maintain affordable housing will help us create that opportunity. One of the most important tools for affordable housing development is the Oregon Affordable Housing Tax Credit (OAHTC).

HB 2527 extends the sunset on the Oregon Affordable Housing Tax Credit (OAHTC) from 2014 to 2020. By extending the sunset for this critical tax credit, we'll keep an effective and useful tool to build affordable housing in place.

The OAHTC supports housing development and acquisitions that may take years to move from an idea to construction and development. Lenders write down the interest rate on permanent mortgages to underwrite *three kinds* of affordable housing: 1) rental housing serving low-income renters; 2) rental housing with federal rent subsidy to keep rents at 30% of a tenant's income; and 3) manufactured home parks.

We all benefit from a community in which residents have access to opportunity and a safe, stable place to call home. Direct beneficiaries of the Oregon Affordable Housing Tax Credit are low income renters, or manufactured home park residents who use it to help purchase the parks their homes are in. Nearly all of the households that benefit from this program earn less than 50% of Area Median Income (AMI) and in many cases, below 30% of AMI. For a family of four in Salem, 50% of AMI means they earn less than \$28,850 yearly. Affordable rent means more money for household essentials.

We've used the OAHTC to develop affordable rental housing since 1990. In 2007, the Housing Alliance supported legislation that expanded the use of the OAHTC to address two critical needs: the need to preserve existing affordable housing with federal rent subsidy contracts in place, and the need to support options that provide security for manufactured home park residents. In the case of "preservation" projects, where tenants benefit from federal rent subsidy contracts, or resident purchases of manufactured home parks, the tax credit works to increase the buying power of the permanent mortgage loan.

The OAHTC works. It produces significant public benefits for communities by encouraging the development and preservation of safe, decent affordable housing. Our communities are better and stronger when people have a safe, stable and affordable place to call home.

The OAHTC is an Oregon income tax credit available to banks and lenders. We urge you to support HB 2527 to ensure that this tool continues to work to strengthen communities and residents in all of Oregon's communities.



**Oregon Housing Alliance c/o Neighborhood Partnerships ·
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