

Oregon Affordable Housing Tax Credit

Program Factsheet

<p>Program Summary</p>	<p>The Oregon Affordable Housing Tax Credit (OAHTC) Program provides a state income tax credit for affordable housing loans for which a lender reduces the interest rate by up to four percent. Applicants must demonstrate a 20-year term during which the benefit of the reduced interest will be passed on to reduce rents for tenants.</p> <p>OHCS issues a reservation letter to successful applications that have obtained a "Letter of Intent" from their lending institution. The reservation is good for 180 days. The reservation is for the principal loan amount, and expected interest rate and corresponding rate reduction.</p> <p>OHCS issues a Certification to projects with an acceptable application that have obtained a "Firm Commitment of Financing". A Certification is good for the length of the loan or up to a maximum of 20 years, whichever comes first.</p>
<p>Eligibility Requirements</p>	<p>One hundred percent of the savings from the reduced interest on the loan must be directly passed through to the low-income tenants and/or end users in the form of lower rents. Low-income households are those making less than 80 percent of the area median income as defined by HUD. The sponsors must show intent to use the tax credit project for a long-term affordable housing use. OHCS requires Restrictive Covenants to guarantee long term affordability. Certain preservation projects and all manufactured housing parks are exempt from passing through cost savings.</p> <p>Financial institution holding OAHTC loans are annually required to submit loan status reports along with a five percent charge of the tax credits used. The charge may get passed on to the sponsor.</p> <p>Entities considered "qualified borrowers", or "sponsors" are for-profit or nonprofit corporations, state, or local government entities (including but not limited to housing authorities) or a controlling partner in a limited partnership that enters into Restrictive Covenants regarding the rents on a property and eligibility of occupants.</p>
<p>For more information, please contact:</p>	<p>Martin Jarvis, State Tax Credit Programs Manager Phone: (971) 388-6029 E-mail: martin.jarvis@oregon.gov</p>

