

Sent to Betsy Imholt in Courtney's office, 6.19.2017

Marcia and I are definitely of the opinion that the HB 2155 should not become part of Oregon law in any bill. This "Low income community jobs initiative" (aka New Market Tax Credit, , and/or CAPCO) was allowed to die during its scheduled review in a prior session **because it has failed to deliver good returns not just here in Oregon, but around the country. Increasing our resources for low income housing is needed. This isn't the way to do it.**

The program, **pushed by investors, is great for the deal makers, and lousy as a way to achieve state goals**, because a high percentage of the state's benefit doesn't get to the projects themselves. Instead it goes to the tax credit holders and dealmakers. **Further, job creation is so low that were Oregon's NMTC program the only public subsidy projects receive, their cost has averaged \$80,560 per job.** And in most cases, projects have also received other state subsidies and/or the federal NMTC.

Please see the attached if there is an effort to move this bill in any form. We've attached our analysis of the money we've spent to date on this scheme, and a list of the projects funded. These two documents don't show you some of the information we've gathered, however. Marcia has researched the Lime Wind Holdings and Old Mill Solar and could add information. We noticed when the bill first passed, that Turtle Island Foods got \$1.56 m, even though they were already under construction before the bill passed. That hardly meets the "but for" standard. Turtle Island's new facility would have provided the space and production capacity to begin hiring the 64 new employees needed to meet their orders, without our NMTC allocation. It's unlikely the reported 64 "created jobs" were brought by the state's investment. It was just icing on the cake.

Repeatedly in hearing rooms we've heard advocates talk about how NMTCs help non-profits, with little attention to the fact that most of the allocations have gone to private businesses. They usually mention that the NMTC was the critical key in building Portland's school for homeless students. But it was built before we even had a state NMTC, only federal NMTCs were involved.

A important recent resource is the Pew Charitable Trusts March 2017 analysis, reported as: "In search of rural jobs, states weigh strategy with checkered past." In Oregon, advocates this year grabbed onto the housing crisis to try to sell the program.

Thank you for the work you do, this is a crazy-making time.