

451 S. First Ave., Suite 700, Hillsboro, OR 97123 Administration - 648-6646 FAX - 648-4175 Client Assistance - 648-0829

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- Advocacy
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- Head Start & Child Care
- Homeless Services
- Housing Development
- Housing Services
- Information & Referral
- Parenting Education
- Transitional Housing
- Weatherization

April 25, 1995

MEMO

To:

WCCAO Board of Directors

From:

Jerralynn Ness C

Subject:

Legislative Correspondence

I am sending to you copies of letters I have sent recently regarding legislative issues.

The Oregon Pre-Kindergarten correspondence went to John Meek as I had heard he was interested in transferring the funding support to Healthy Start. I called his office and spoke with his Legislative Aid, Amy Shearer. She had no information on his position but was very willing to carry my concerns to John. I followed the call up with the attached memo.

The Farmworker Tax Credit memo was sent, in slightly different forms, to Reps. Ken Strobeck, John Meek, Chuck Carpenter and Sen. Hamby. I understand that it was passed out of the House Committee with tax credits eliminated for year-round farmworker housing. If passed, this will create a serious barrier to developing additional farmworker housing. I understand it has now gone to the Senate Government and Tax Policy Committee, which is chaired by Senator Paul Phillips and includes Senator Tom Hartung. I will send to each of them a letter of concern.

The last document is a summary of the State funds allocated to WCCAO this biennium and an 18 month report on the services provided with these dollars. Please give me a call if you have any questions.





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April 25, 1995

MEMO

To:

Representative John Meek

From:

Jerralynn Ness, Executive Director

Subject:

Oregon Pre-Kindergarten Program

I wanted to send to you some information about how the Oregon Pre-Kindergarten Program is operating in Washington County.

WCCAO is the recipient of \$458,000 from the Department of Education to provide Head Start like services to 82 low-income or severely disabled preschoolers and their families. Because the State allows us to operate the program identical to Head Start, we are able to use the State funds to match and bring in to Washington County \$1.2 million from the Federal Department of Health and Human Services. We use these funds to support 82 of the 100 pre-schoolers enrolled in our Hillsboro Centers.

Head Start continues to be one of our most effective tools to break the cycle of poverty. The program allows us to intervene at a critical stage of development and have a positive impact on the health, nutrition and educational status of some of the most disadvantaged children in our community. We are able to work very closely with the parents to assure that the healthy growth and development of their children continues long after their Head Start experience.

I don't know if there is a move to reduce or eliminate OPP funding. I know that you have been a long time supporter of Head Start and hope that we have your continued support. If you have any questions, please give me or Cathy Wise, my Child Development Director, a call at 648-6646.

Thanks again John!





COMMUNITY AND SHELTER ASSISTANCE CORP.

OF OREGON

212 East First Street Newberg, Oregon 97132-2904 (503) 537-0319 Fax (503) 537-0558

EXTENSION OF THE FARM WORKER HOUSING TAX CREDIT

HB 2063 and HB 2259

Repeated studies over the past two decades have found that housing for Oregon's farm laborers is unsafe, overcrowded and unaffordable. As an incentive for the rehabilitation and development of farmworker housing by growers and others, and as an inducement to get lenders and private investors to participate in the financing of such housing, legislation was enacted in 1989 establishing two farmworker housing tax credits: one to growers and investors for the construction and rehabilitation of farmworker housing (ORS 315.164), and one to lenders for financing such housing (ORS 317.147). The bill included a sunset provision, applying the credit only to housing that has been completed and occupied prior to January 1, 1996. Two bills have been introduced at the behest of interim committees which studied this issue, one to lift the sunset clause entirely (HB 2063) and one to extend the sunset clause to January 1, 2002 (HB 2259).

Because of the unqualified success of this program, and because of the importance of decent, available and affordable farm worker housing to the economic base of Oregon's agricultural industry, this sunset clause should now be lifted or extended. While we would prefer passage of HB 2063, removing the sunset entirely, we would support the Legislature in its action to pass either of the bills.

WHY IS THE FARM WORKER HOUSING TAX CREDIT IMPORTANT

- Agriculture is Oregon's largest industry, with gross sales totalling over \$3 billion annually. Crops dependent on the labor of farm workers account for over one-third of this amount.
- To plant, harvest and process these crops, there are an estimated 150,000 farm workers and family members in Oregon, many who live here year round and about one-third of whom migrate with the crops.
- Adequate on-farm housing is sufficient to house less than 10% of the farm workers and family members in the state.
- Most of the remaining 90% of the farm worker population live in rural communities throughout the state, with two-thirds of this housing unsafe, unsanitary and overcrowded. 10% of the farm workers and their families have no housing at all, living in orchards, cars or along the river banks.
- A national study done in 1982 found that there was a need for at least 14,000 units of new housing in Oregon. It must be surmised that the need still exceeds 10,000 units today.

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HOW DOES THE FARM WORKER HOUSING TAX CREDIT PROGRAM WORK?

As noted above, the tax credit has two parts: for growers and investors, the tax credit equals 50% of the cost of construction or rehabilitation, taken in equal installments over five years. For lenders, the tax credit equals 50% of the interest collected each year for up to ten years. For example, if a grower invests \$100,000 in farmworker housing, he or she would be entitled to a state income tax credit of \$50,000, taken in equal installments over five years (\$10,000 per year). The grower would have to comply with all farmworker housing standards in order to receive the credit. If a lender makes a \$100,000 loan for such housing at 10% interest, thereby earning interest each year of \$10,000, the lender would be entitled to a \$5,000 tax credit per year for the term of the loan, up to 10 years.

HAS THE FARM WORKER HOUSING TAX CREDIT BEEN SUCCESSFUL?

Since 1991, just over \$3,500,000 in credits have been used on projects CASA has been involved with. These tax credits were combined with over \$5,500,000 of other private and public funding to produce housing for more than 1,300 farm workers and family members.

Projects in which CASA has been involved and in which the tax credits were used include 108 units of farmworker rental housing in Molalla, Hood River, Irrigon and Woodburn, and 8 single-family homes in Washington County that are sold to farmworker families. Additional projects for another 100 units are underway in Jackson County, Jefferson County and Malheur County. 37 growers, in Hood River County, Yamhill County, Marion County and Malheur County, have used the tax credits to add housing for 640 workers and family members. Lenders have used the farmworker tax credit to reduce the interest rate on the mortgages in many of these projects by 3-4%.

Most financing programs today require leveraging of public and private resources to make housing affordable. The tax credit provides this much-needed leverage. More importantly, it provides an opportunity for all sectors of the economy-public and private-- to assist in the effort to provide much-needed decent, safe and affordable housing for agricultural workers and their families. We urge the Legislature to extend the farmworker housing tax credits and thereby continue to improve the much-needed housing supporting Oregon's agricultural industry.

(Prepared by CASA of Oregon. For more information, contact Charlie Harris