

WASHINGTON COUNTY  
**A** COMMUNITY  
**CTION**  
ORGANIZATION

20515 S.W. Blanton, Aloha, OR 97007

6/2 - Housing  
Development Corp -- HDC JN  
HOUSING & ENERGY CONSERVATION

July 30, 1990

**Hillsboro Office**

451 S. First Ave., Suite 700  
Hillsboro, OR 97123

648-6646 - Administration

- Executive Director
- Children & Youth
- Resource Development

648-0829 - Client Services

- Information & Referral
- Intake & Assessment for  
all WCCAO Services
- 1-800-533-5941  
Special Transportation
- 640-8951 (part year)  
Heating Assistance

**Emergency  
Shelter Home**

210 S.E. 12th  
Hillsboro, OR 97123

648-0829

- Temporary Family Shelter

**Aloha Center**

20515 S.W. Blanton  
Aloha, OR 97007

642-3236

- Tualatin Valley Food Center
- Christmas Clearing Bureau
- Weatherization
- Fair Housing
- Housing Advocacy
- Fiscal Department  
P.O. Box 7069  
Aloha, OR 97007

**Neighborshare**

12230 S.W. Main St.  
Tigard, OR 97223

639-0495

- Information & Referral
- Intake & Assessment for  
all WCCAO Services

**Play It Again  
(Thrift Store)**

4955 S.W. Hall Blvd.  
Beaverton, OR 97005  
644-8956

Mr. Rey Ramsey  
Oregon Housing Agency  
1600 State Street, Suite 100  
Salem, OR 97310-0161

Dear Rey:

I enjoyed meeting you at the Association of Oregon  
Housing Agency's meeting last week.

As I mentioned in addition to my position at WCCAO I  
am the president of the Housing Development  
Corporation of Washington County (HDC). The HDC is  
a non-profit whose central purpose is to develop  
farm labor housing. To date we have developed, in  
two phases, the Elm Park Apartments, a 62-unit  
complex in Forest Grove. We are currently working  
on a 24 unit scattered site project in Cornelius  
which we hope to build by next spring.  
Incidentally, we received a Seed Money Advance loan  
from the Housing Agency in 1983 to assist in the  
development of Elm Park Phase I.

The attached correspondence from the State  
Department of Revenue and the Attorney General's  
Office concern the issue we briefly spoke about last  
week, the property tax exemption for farm labor  
housing.

At present, and apparently since 1974, most project  
operating costs are deducted from gross project  
revenue to calculate net operating income. Ten  
percent of this net operating income is paid to the  
County as a fee in lieu of property taxes. Under  
the recent reinterpretation by the Attorney  
General's office only the amounts paid for  
utilities, garbage disposal, repairs and replacement  
of fixtures and furniture will be deductible from  
gross revenue. Expenses such as debt service,  
manager's salary, insurance, maintenance,  
landscaping, depreciation, etc. will no longer be  
deductible in calculating net income, for property  
tax purposes.



A United Way Agency

"People Helping People"

Mr. Rey Ramsey  
July 30, 1990  
Page Two

My initial estimate is that this change will result in the HDC owing over \$9,000 in property taxes for the Elm Park Projects. Under the current method of calculating net project income the HDC owes no property taxes.

Our only recourse in dealing with an increased operating expense of this magnitude would, unfortunately, be to raise rents. All of our tenants are farm laborers the majority of whom are low or very low income and such an action would certainly have adverse economic impacts on those least able to afford it.

Based on the attached correspondence it appears that absent direction to the contrary by the Legislature, this change will be implemented.

In light of Oregon's ongoing difficulties in providing decent housing for farmworkers and the efforts of the last Legislature to develop incentives and to remove barriers in order to encourage the development of decent affordable farmworker housing, it appears to me that this change is counter-productive.

I hope that you will involve yourself, your staff, and the State Housing Council in efforts to bring this issue to the attention of the Legislature. Once again I enjoyed meeting you and wish you luck in your new job. Please feel free to contact me at 642-3236 if you need further information.

Sincerely,



Leon Laptook, Director  
Housing & Energy Conservation Department

cc: Charlie Harris, CASA  
✓ Jerralynn Ness