



Bill would cut credit period for affordable housing program

By: Molly M. Fleming The Journal Record ◉ March 6, 2019 0



Clockwise from far left, Ron Brown, Lyle Roggow, Carlos Johnson, Jim Denton, Cynthia Rogers and Steve Burrage listen to representatives from consulting group PFM during a meeting of the Incentive Evaluation Commission at the Oklahoma state Capitol in Oklahoma City. (File Photo by Mark Hancock)

OKLAHOMA CITY – A 10-year tax credit for affordable housing in Oklahoma would be cut to five years under legislation being considered by state lawmakers.

The Oklahoma Coalition for Affordable Housing is working to derail Senate Bill 416, which would cut the credit period for the state's affordable housing tax credit program to five years. The measure, if approved, would reduce credit periods for housing projects that qualified for the program on or after Jan. 1, 2020. Housing projects that qualified before that date will still receive

the full 10-year credit. The bill was filed by state Sen. Stephanie Bice, R-Oklahoma City.

The Oklahoma Affordable Housing Act was signed into law by Gov. Mary Fallin on June 3, 2014. It allocates \$4 million per year in low-income housing tax credits to housing projects for households that make 60 percent or less of the area median income.

In November, the state's Incentive Evaluation Commission's third-party analysis firm, PFM, suggested that the tax credit's allocation period be cut. According to PFM's calculations, the \$4 million will add up to \$40 million by 2024 because of the 10-year credit period.

OCAH Government Affairs Chairman Lance Windel said the coalition is against any initiative that could cut affordable housing construction in Oklahoma.

"It's the largest problem facing the state today," Windel said. "It's a problem across all 77 counties."

Windel uses the tax credit to build single-family homes in Hugo, Ardmore, Chickasha, Marietta, Stillwater, Davis and Duncan.

A city's lack of quality housing can curb economic development, he said. Economic development directors "are calling me on a regular basis saying, 'I'm trying to land this company, but they're telling me they can't move here because there's nowhere for their people to live.'"

Windel said that while his 60 homes provide immediate housing for people in need, they also create a shift in the market. People can move into the newer housing and others who need a lower-priced home can move into their vacated units.

The coalition would like to see that domino effect in all 77 counties, which is why it's supporting House Bill 1411.

The bill is authored by state Rep. Monroe Nichols, D-Owasso. State Sen. Kevin Matthews, D-Tulsa, signed on as the bill's co-author on Feb. 28. HB 1411 would eliminate the 150,000-or-less county population requirement, making

Oklahoma, Tulsa, and Cleveland counties eligible for the program.

The state’s tax credits are overseen by the Oklahoma Housing Finance Agency. Windel said limiting the credits to certain counties is also limiting OHFA’s work. He said not all of OCAH is in favor of changing the county population limitation.

“We don’t think it’s a good idea for the state Legislature to direct the use of those tax credits,” Windel said. “That’s what the OHFA board is for.”

Affordable Housing Day

Affordable Housing Day at the Capitol is set for April 11 from 1 p.m. to 4 p.m. on the fourth floor.

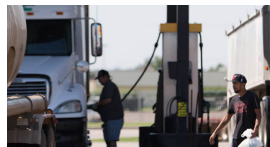
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