

# AGRICULTURAL WORKFORCE HOUSING COALITION

"Housing People Who Put Food On Our Table"

## Statewide Organizations:

CASA of Oregon  
CAUSA  
Catholic Charities  
Ecumenical Ministries Oregon  
Housing Alliance  
Latino Network  
LMC Construction  
NORPAC Foods  
Oregon Association of Nurseries  
Oregon Human Development Corp  
Oregon Farm Bureau  
Oregon State Board of Agriculture  
Oregon Winegrowers Association  
Piñeros y Campesinos Unidos del Noroeste  
Rose Community Development  
Scott Edwards Architecture LLP

## Columbia Gorge:

Columbia Cascade Housing Corp.  
Columbia Gorge Fruit Growers  
Orchard View Farms

## Central & Eastern Oregon

Boardman Foods  
Cascade Specialties, Inc.  
CAPECO  
Housing Authority of Malheur Co  
Housing Works  
RDO – Calbee Foods, LLC  
Umatilla County Housing Authority  
Threemile Canyon Farms, LLC

## Southern Oregon:

Bear Creek Orchards, Inc.  
Housing Authority of Jackson Co  
Klamath Housing Authority

## Willamette Valley:

A to Z Wineworks  
Adelante Mujeres  
Bienestar  
Hacienda CDC  
Centro Cultural  
Community Home Builders  
Community Action Organization  
Farmworker Housing Development Corp.  
Housing Authority of Yamhill Co  
North Willamette Valley Habitat for Humanity  
St. Joseph Shelter  
St. Vincent De Paul of Lane County  
Willamette Neighborhood Housing Services



**A Collaborative Effort of CASA of Oregon and stakeholders**  
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## Oregon Agricultural Workforce (Farmworker) Housing Tax Credit

The coalition requests the reauthorization of the Agricultural Workforce Housing Tax Credit (AWHTC - formerly known as the Farmworker Housing Tax Credit or FHTC) which sunsets 12/31/2019. We support SB 202 and HB 2137 which will renew the sunset to 1/1/2026.

## How effective is the credit?

In a review of State of Oregon Tax Expenditure reports since 2000, the amount of tax credits claimed has been substantially less than credits awarded. While accounting for timing differences, it appears that a significant amount of credits are going unused, which means that even while the credits are sold for a discount, the difference between the amount contributed and amount claimed is quite significant.

- Since 2001 AWHTC's have helped house more than 6000 farm workers and their families.
- According to OHCS, less than 4% of the housing need for farm workers in Oregon has been met.
- For every dollar in credits awarded, typically more than three are raised as leveraged resources.
- The majority of the funding has gone to community-based projects owned by non-profit agencies and public housing authorities operating for the express purpose of providing affordable housing.
- Compliance for community-based projects is assured by the leveraged resources who annually monitor and ensure that the units are used for their intended purpose.
- Without this funding, too many farm workers would live in dilapidated, unsafe and overcrowded housing.

## History

In 1989, the Farm Worker Housing Tax Credit (FWHTC) was passed by the Oregon legislature to help “alleviate the chronic housing conditions” in which agricultural laborers found themselves. The Immigration Reform and Control Act of 1988 had just passed and thousands of farm workers flooded to Oregon in order to adjust their status. Numerous newspaper, radio and television reports documented the struggles of these immigrants as they attempted to survive by living in cars, under bridges or in the hundreds of registered and unregistered labor camps across the state.

While the US Department of Agriculture’s Farm Labor Housing (FLH) program (created by Congress in 1949 in response to the abuse of Mexican agricultural laborers brought to the US by the Braceros program) provides funds for the construction of on-farm and community based housing, the competition for these funds is keen. Changes in the 1990’s to the FLH program requires non-federal match in order to compete for these funds. The AWHTC provides this leverage.

In 1999, the FWHTC was set to expire. The legislature (recognizing that in spite of this excellent tool that had created over 325 community-based units and hundreds more new and rehabilitated on-farm housing since its inception) determined that it was woefully insufficient to meet the demand. The legislature provided a special “Migrant Million” to help fund some housing units and an interim legislative task force was created. Chaired by Kevin Mannix and Susan Castillo, it was tasked with looking at the entire system of housing for agricultural workers. In 2000, a comprehensive report by the Oregon League of Women Voters entitled “Farm Workers in Oregon” also helped make the case for the need for safe, decent and affordable housing for farmworkers.

In December 2000, the Interim Task Force completed its report. The task force identified 19 recommendations that were taken up by the 2001 legislature. Of the 19 recommendations, 15 were adopted. One of the key items passed was the removal of the sunset and an increase in the annual eligible cost from \$3.3 M to \$7.5M. The credit was also increased from 30% to 50% of eligible costs.

## How it works

The tax credit (ORS 315.164-169) allows a credit against taxes for a portion of the eligible costs of a project that provides housing for agricultural workers. The project must be either new construction or substantial rehabilitation.

- The owner of a proposed housing project applies to OHCS for an award of credits.
- The owner either uses the credits toward their tax liability or sells the credits to an investor if they have no tax liability.
- The investor/owner pays total equity investment to the project at construction completion but is only allowed to claim a maximum of 20% each year during the first five years. The credits not used in a given year can be rolled forward to a future year but must be taken by the end of the tenth year following construction completion.
- The owner must obtain leveraged resources to complete construction as this credit only provides a portion of the funding.
- At construction completion, the owner of on-farm housing obtains an OR-OSHA compliance letter stating that the housing meets habitability standards.
- Over the next five to ten years the owner submits an Annual Certification form to the Department of Revenue to claim the credit.



100 farmworkers and their family members live at the **Canyon East Apartments** in **Madras Oregon**. **Housing Works** owns this 24 unit project constructed in 2011 using \$300,000 in tax credit which leveraged \$4.2 million in other financing. At the time of initial occupancy, the family household income was less than \$20,000 annually.