

Affordable Housing Funding Notice



Oregon Housing and Community Services

**State of Oregon
Oregon Housing and Community Services**

**Agriculture Workforce Housing Tax Credit Program 2025 Annual Notice and General
Information**

Application General Notice and Information Issued: January 6, 2025

Open Application Period begins: January 6, 2025

Open Application Period ends: September 30, 2025, at 4:00 PM PST

Program Overview

The Agriculture Workforce Housing Tax Credit (AWHTC)

The Agriculture Workforce Housing Tax Credit (AWHTC) program is part of an ongoing effort to address the shortage of available housing for the agriculture workforce in Oregon. The program is designed to offset the costs associated with construction, installation, acquisition, or rehabilitation of housing for agricultural workers.

This Annual Notice and General Information is an outline of the statutes and the administrative rules designed to help applicants better understand the AWHTC program requirements as they fill out the 2025 On-Farm Application.

Definitions

Agricultural worker means any person who, for an agreed remuneration or rate of pay, performs temporary or permanent labor for another in the:

1. Production of agricultural or aquacultural crops or products,
2. Handling of agricultural or aquacultural crops or products in an unprocessed stage,
3. Processing of agricultural or aquacultural crops or products,
4. Planting, cultivating, or harvesting of seasonal agricultural crops, or
5. Forestation or reforestation of lands, including but not limited to the planting, transplanting, tubing, pre-commercial thinning and thinning of trees and seedlings, the clearing, piling, and disposal of brush and slash and other related activities.

Contributor means a person:

1. That acquired, constructed, manufactured, or installed agriculture workforce housing or contributed money to finance an agriculture workforce housing project, or
2. That has purchased or otherwise received via transfer a credit as provided in ORS 315.169
3. Sometimes referred to as a Co-Applicant when included on application as a contributor.

Eligible Costs are Project costs incurred by the applicant to create eligible agriculture workforce housing. Eligible costs include acquisition costs, finance costs, construction costs, excavation costs, installation costs, and permit costs; and excludes land costs. To be eligible, costs incurred prior to application submission must have occurred within 6 months of OHCS receiving an AWHTC application.

Construction costs means expenses incurred creating or making a new structure; or altering, partially constructing, or repairing an existing structure. Construction costs include:

1. **Excavation costs** means expenses incurred in physically preparing a site for construction.

2. **Installation costs** means expenses incurred installing different systems, fixtures, and parts of the finished building including but not limited to plumbing, electrical, HVAC, windows, exterior sheathing, countertops, flooring, and interior trim and molding.
3. **Permit costs** means expenses incurred obtaining the necessary permits associated with construction of the project.
4. **Finance costs** means expenses incurred obtaining capital funds or credit for the project including interest charges and fees.
5. **Land costs** means expenses incurred acquiring the building site, excluding the costs of any preexisting structures or improvements.

On-Farm Project is a housing project that is physically located on land that is zoned for farm use. In 2025, housing proposed for locations other than agricultural land owned or controlled by the applicant will not be eligible for the On-Farm Set-Aside.

Pro Forma Is an excel format spreadsheet document that helps OHCS staff gain an in- depth understanding of the financial viability of a project. If an applicant for the On-Farm Set-Aside, applies for more than \$250,000 AWHTC, they will need to fill out a pro forma in addition to the Word document application.

Project means a specific affordable housing development sponsored by a contributor involving the construction, acquisition, and rehabilitation of housing for agricultural workers and their families. Projects can be either community-based or On-Farm.

Relative means a brother or sister (whether by the whole or by half-blood), spouse, ancestor (whether by law or by blood), or lineal descendant of an individual.

Standby Applications are applications that are determined to be complete and eligible for a reservation of credits but are unable to receive a reservation due to lack of remaining Program credits.

Annual Allocation and Annual Set-Aside

The Oregon State Legislature has given OHCS authority to allocate a biennial amount of tax credits totaling \$16.75 million per ORS 315.171. OHCS will reserve up to \$1.67 million for the On-Farm Set-Aside with this Application Notice. Any remaining unreserved tax credits will roll over into the Small Projects NOFA after the Set-Aside closes on September 30, 2025.

Applicant Type	Tax Credits Available for Reservation
On-Farm	\$1.67 Million

Eligibility

Program tax credits may be awarded to those who properly apply for and are granted a reservation of tax credits through this program's application process, and who:

1. Pay or incur costs for the construction, rehabilitation, or installation of agriculture workforce housing,
2. Are registered to do business in the State of Oregon, and
3. Maintain all Program compliance criteria and restrictions listed in statute, administrative rule, and herein for each of the 10 years the project is placed in service.

The Oregon Housing and Community Services Department (OHCS) will determine eligibility for tax credits based on the criteria set out herein and in greater detail in ORS 315.163 to 315.169, and in Oregon Administrative Rule (OAR) 813-041. Applicants can apply for AWHTC Program tax credits in an amount equal to up to half of their Eligible Costs for installation of agriculture workforce housing.

Example A: *An applicant estimates it will cost \$50,000 in eligible costs to build a project. In their application they may request up to \$25,000 in tax credits. If after construction actual costs exceeded \$50,000, the applicant may only request at max the \$25,000 reserved at application.*

Example B: *If the same project finds that after construction, only \$40,000 of eligible- costs were incurred, then the applicant may only claim at most \$20,000 in tax credits regardless of the \$25,000 credits reserved at application.*

Eligible occupancy of an AWHTC project:

To qualify as an Agricultural Worker; tenants may work part of the year as an agricultural worker and have other non-agricultural-related work other parts of the year. One family member in the housing unit must be an agricultural worker either seasonally or year-round. Any other family members are not required to be agricultural workers.

Owners or operators of the applying entity (individual farm owners, corporate shareholders, and partners) and their Relatives are specifically excluded from the definition of Agricultural Worker for the purposes of the AWHTC Program. The On-Farm housing cannot be rented to non-agricultural workers, even during off- season times. While the housing can be vacant for part of the year and still qualify, the housing cannot be occupied for any part of the year by anyone other than qualifying agricultural workers and their immediate families.

Consultation with OR-OSHA

On-Farm Projects should consult with Oregon OSHA to determine whether they need to register as a labor camp. If the proposed agricultural workforce housing project is subject to registration as a farm labor camp by Oregon, the camp must be registered, or have its registration renewed, prior to occupancy. If an applicant fails to comply with this requirement, their application will not receive a place in line for reservation until compliance with registration, safety and health requirements can be proven to the satisfaction of OHCS.

To maintain tax credit eligibility; the camp's registration must be kept current, and its continued operation must be in substantial compliance with all applicable safety and health rules. The OR-OSHA Salem Field Office is the contact for any questions related to these requirements. OR-OSHA can be reached at (503) 378-3272 and by visiting their website, [here](#).

Application

Incomplete applications will be returned to applicants to complete and resubmit. Incomplete applications will not hold a place in line for reservations. All complete applications will be evaluated to determine their qualifying status, viability, and readiness to proceed prior to being granted a reservation.

Application Requirements:

An application fee of \$200 must be submitted for all projects **at the time of application submission**. Applications will not be reviewed until after verification of receipt of the application fee.

Applications must be received **before** the project's completion.

Project owners must provide a copy of agreement(s) with any contributor(s) which must include the number of credits transferred, any equity generated from sale, and the federal tax ID of the contributor(s).

Applicants are required to provide photos of the project site as it appears at the time of application. OHCS prefers these photos be digital and attached to the electronic application. If the application is mailed in, photo submissions may be printed or developed. **Do not mail in photos on a thumb drive or on a CD.** These photos do not need to be professionally done. OHCS is looking for a full view of the property/structure. Google Earth images are an appropriate representation for undeveloped lots. Rehabilitation projects should provide images of project areas to be improved. "After" photos will be required at project completion.

The following On-Farm applicants must complete and submit an expanded OHCS Pro Forma with application:

- On-Farm projects with more than fourteen (14) units.
- On-Farm projects with AWHTC Program Tax Credit requests totaling over \$250,000.

Based on application review and sole judgment of OHCS staff, any applicant may be required to submit a Pro Forma if it is determined that additional detail is needed to approve a reservation outside of the criteria listed above. If a Pro Forma is required after application submission, that application's position in line for reservation is held for up to 30 days to await Pro Forma submission. OHCS will provide access to the Pro Forma to applicants required to submit one as part of their application.

Incomplete Pro Forma will not qualify as submitted. OHCS will not unreasonably reject Pro Forma as incomplete but will do so at OHCS's sole discretion.

2025 applications may be submitted and received by OHCS after Application Period opens on January 6, 2025, and thru September 30, 2025, by 4:00pm PST.

On-Farm Applicants and Co-Applicants:

If any portion of the tax credit will be claimed by a party other than the owner or operator, the owner or operator and the co-applicant known as a contributor must submit the application jointly. (Both signatures and information must be provided on the application where indicated.)

1. Download the Microsoft Word Application Document from the OHCS website, here: <https://www.oregon.gov/ohcs/development/Pages/agriculture-workforce-housing.aspx>
2. Submit the completed Application with required attachments to martin.jarvis@hcs.oregon.gov or through the mail at the address below.

Please note that the Agency's offices are currently closed to the public, so no in person submission will be allowed.

Applications mailed in must be addressed as follows:

2025 On-Farm AWHTC Application
Attn: Accounting (503)986-6760
Oregon Housing and Community Services
725 Summer St. NE, Suite B
Salem, OR 97301

All Applications and any accompanying documentation become the property of OHCS, subject to Oregon Public Records Law, and may not be returned. Application charges are nonrefundable.

Tax Credit Reservations

OHCS will consider all applications in the order in which they are received. Applications will be given a filing date but not a filing time of day. For multiple applications submitted on the same day, preference will be given in order based on the following criteria:

- Priority will be made to applicants submitting a complete application. Any applicants with missing components will lose priority placement.
- Priority will be made to On-Farm Applicants showing enhanced worker protections based on answers provided in the Project Description section of the On-Farm Application.
- Priority will be made to project applications that are ready to proceed to construction within one year to assure that the limited tax credits are placed in service as soon as possible.
- To Projects where the funding request will be more fully awarded based on remaining credit availability.
- Based on the sole discretion of OHCS to meet the immediate housing needs of Oregonians.

Proposed AWHTC projects cannot be completed prior to application. If a project is completed and in use as shown by the certificate of occupancy or in some other manner, they do not qualify for an allocation of credits. Projects can be under construction at time of application, but they cannot be completed and still count for credits.

Project phases are considered as separate individual projects and are not considered as having any additional preference for priority.

Applications may be awarded in full, partially awarded, placed on a standby list, or denied. Applications will be denied if ineligible or incomplete. Applications may be retained on a standby basis if all available AWHTC Program Credits have been reserved. All standby applications will be placed in order based on the priorities listed above. If funds become available, the stand-by list will be used to make subsequent reservations. Standby applications will expire on December 15, 2025.

Once reservations are made, reservations cannot be increased. Even if actual costs subsequently prove to exceed the reservation eligibility amount.

Project applicants with 2025 tax credit reservations must start construction within 1 year of the date on the reservation letter or obtain a waiver and extension from OHCS. Failure to do so will result in loss of their AWHTC Program Tax Credit reservation.

Project applicants with 2025 tax credit reservations must be placed in service within 2 years of the date on the reservation letter. If an extension should prove necessary, OHCS may grant it on a case-by-case basis.

Acceptance of this funding requires Projects to restrict housing to eligible agricultural workers and their families as defined in the Eligibility section of this ANGI.

Project Compliance

Projects not in compliance with applicable law and regulation, including any requirements herein are subject to revocation of all credits, both claimed and remaining.

All agriculture workforce housing projects receiving tax credits under this Program must be in substantial compliance with all applicable safety and health rules as identified by OR-OSHA, and all other state and local regulations.

During the 10-year restriction period starting the year of project completion, annual re-certification forms are required by OHCS to remain eligible to claim awarded tax credits. OHCS will provide the annual recertification forms directly to all projects during the ten-year compliance period. Tax credit recipients must recertify annually that the housing built with AWHTC funds remains set aside for agricultural workers and their families as set out in statute and rule.

Tax Credits

A taxpayer may elect to claim awarded credits over no fewer than five (5) years and no more than ten (10) years, claiming no more than twenty percent (20%) of the Project tax credit award in any given year. The project for which the credits are issued must provide housing to the agriculture workforce for at least ten (10) years after project completion.

Example A: A tax credit recipient is awarded \$50,000 of tax credits based on \$100,000 of project eligible costs. That recipient may claim up to twenty percent (20%) of that award (\$10,000) in each year following project completion (years 1-5). By year five, one hundred percent (100%) of credits are claimed. The property must remain restricted as agricultural workforce housing and report compliance to OHCS for all 10 years of the restriction period or risk losing the entire tax credit award, even if already claimed in previous years. In the event tax credits were sold to a project contributor, the original applicant/recipient is still liable for the revoked tax credits in an event of reclamation for non-compliance.

Example B: A recipient is awarded \$50,000 of tax credits. They may claim ten percent (10%) of their total award in each year following project completion for all 10 years.

Example C: An applicant is awarded \$50,000 of tax credits. If they wait until year six (after project completion) to begin claiming tax credits they have already lost 20% of their award due to two key facts; 1) The award expires after year 10 of project completion and 2) only up to 20% of the award may be claimed in any given tax year. In the event you may lose tax credits, you are encouraged to contact OHCS. OHCS cannot give financial advice but may share pertinent information about the program that could help you understand your options.

Any portion of the tax credit award may be transferred to a contributor. If the owner or operator elects to transfer any portion of the credits after the time that OHCS has issued a letter of tax credit approval, the owner or operator and the contributor must jointly file a statement with the DOR stating the portion of the credit the contributor now owns and any other information the Department of Revenue may require by rule and as outlined in Oregon Revised Statutes (ORS) 315.163 to 315.172 (a “transfer” of tax credits typically happens as a result of purchase and sale of said tax credits.) These forms may be found on OHCS’s AWHTC program page referenced above.

Further information can be found online at the following [link](#) or by contacting the AWHTC program manager Martin Jarvis.

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