



March 10, 2023

To: Senate Committee on Housing and Development
Re: Support and Requested Amendment to SB 936

Chair Jama, Vice Chair Anderson, and members of the committee,

I am writing on behalf of SquareOne Villages—a developer of permanently affordable, resident-owned housing cooperatives in Lane County—in support of SB 936.

We were pleased to see that the Governor's budget more than doubles the allocation to LIFT Homeownership for the next biennium. This is an important source of subsidy for allowing us to continue to develop new limited-equity cooperatives.

However, due to the restrictions of Article Q bonds, the maximum subsidy is restricted to the value of land plus infrastructure. This poses a major challenge, particularly for rural projects and multi-family homeownership projects where several units are sited on a single lot.

As a result, supplemental general funds are needed to fully utilize the LIFT Homeownership funds, and this can be achieved by passing SB 936.

For reference, the recent pre-application statistics for the 2023 Homeownership NOFA illustrate the demand:

Governor's proposed 2023-2025 budget:

LIFT HO: **\$154m**

Affordable HO Development Program: **\$5m**

Pre-applications stats for the 2023 NOFA:

LIFT HO: **\$64m**

Affordable HO Development Program: **\$62m**

To be inclusive of the shared-equity homeownership model developed by SquareOne, we have requested amending the bill to remove the specification of "single-family". This would allow owner-occupied housing such as multi-family condominiums and cooperatives to qualify under Section 2.

If SB 936 does not pass with the requested amendment, it will likely be necessary for us to pivot to a rental housing model for our next development, Rosa Village Co-op, of approximately 48 units.

We plan to apply for funding for this project in 2024, and currently estimate that we will need an additional \$5m above what is possible through LIFT Homeownership in order to achieve our affordability goals of creating a pathway to resident-owned housing for households between 30-60% area median income.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Heben".

Andrew Heben,
Project Director, SquareOne Villages