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March 18, 2025

Chair Marsh, Vice Chair Breese-Iverson, Vice Chair Andersen, and members of the committee,

My name is Kevin Cronin, and I serve as the Policy and Advocacy Director at Housing Oregon. Housing Oregon is the statewide affordable housing trade association, representing over 125 organizations engaged in affordable housing development, homeownership, and homeless services. I write to you today in strong support of HB 2964 and the forthcoming -3 amendment.

Over the past two years, Oregon Housing and Community Services (OHCS) has transitioned from a competitive early funding award process to a threshold-based model. This shift makes sense—we have limited resources, and it is essential to have a clear, logical queue for distributing these funds. The new process prioritizes readiness, ensuring that only projects meeting specific criteria can proceed toward funding. While this system will eventually be more efficient, it presents equity challenges for smaller developers, rural developers, and organizations serving culturally specific communities.

Many of these organizations lack access to local funding sources or large balance sheets to finance early project costs. Pre-development loans help address this gap, fostering a more robust and predictable pipeline of affordable housing projects across Oregon. To qualify for these loans, projects must meet specific criteria and demonstrate feasibility. Importantly, OHCS funding awards are used to repay these loans, reducing financial risk. Projects utilizing these loans need to show progress but sometimes have to wait their turn due to other funding source constraints.

One of the most exciting opportunities in affordable housing development comes from working with churches and faith-based organizations. The Legislature recognized this potential in 2021 by passing SB 8, which removed zoning barriers to affordable housing on church-owned land. That bill has already borne fruit—projects like Peace Village in Eugene demonstrate how faith communities can be powerful partners in building affordable housing. HB 2964 builds on that success and strengthens the partnerships between affordable housing and faith communities. Churches often have land but lack

the financial resources to navigate the early phases of development. With this bill, we can help turn underutilized church properties into affordable homes for Oregonians in need.

Additionally, HB 2964 helps refine and strengthen Oregon's ORCA (or "Super NOFA") process. As Oregon shifts to this new funding structure, we have encountered growing pains. A significant issue is that large projects can clog the pipeline by reserving substantial funds, preventing other projects from advancing. This bill, along with its amendment, provides OHCS with an additional tool—grant flexibility for these smaller predevelopment awards—to prevent bottlenecks and ensure timely project movement.

By allowing OHCS to issue grants when appropriate, this bill enables the agency to respond more effectively to real-time challenges in affordable housing development. Developers shouldn't be left "at the altar," waiting in line for future funding rounds while holding pre-development loans, behind a huge project. This doesn't happen frequently, but could place severe hardship on a sponsor.

I encourage you to listen to the testimony from community-based organizations that are doing this vital housing work. Their experiences will illustrate how this OHCS program is making innovative projects possible and helping Oregon address its affordable housing crisis.

Thank you for the opportunity to submit this testimony. I am always available to discuss further—please feel free to reach me at [kevin@housingoregon.org](mailto:kevin@housingoregon.org) or by phone at 971-347-8503.

Sincerely,  
Kevin Cronin  
Policy & Advocacy Director  
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