



March 29, 2021

Joint Subcommittee on Transportation and Economic Development
Oregon State Legislature
900 Court Street NE
Salem, OR 97301

RE: Support 5011 and recommended budget

Co-Chair Beyer, Co-Chair Gomberg, and Members of the Committee

I write to you today on behalf of The City of Salem Housing Authority in support of HB 5011, and the recommended budget for the Oregon Housing and Community Services (OHCS) Department for the 2021-2023 biennium.

Salem Housing Authority has recently benefited from LIFT funding in our first Permanent Supportive Housing Development Redwood Crossings. This project is currently in lease up and adds 37 units to our supply. Both permanent housing units as well as transitional. SHA is also in pre-development with three other projects.

Yaquina Hall utilizes Historic Preservation funding as well as Mental Health Housing Funding and will add 52 new units to the affordable housing supply in Salem and will serve those with Serious and Persistent Mental Illness. Southfair Apartments will add two fully accessible 1-bedroom units as well as remodel 100% of the 40 units existing on site. These residents will have access to services located at Yaquina Hall.

Sequoia Crossings is also in pre-development and intends to seek both Permanent Supportive Housing funding as well as competitive 9% tax credits. This project will bring an additional 60 units to the Salem Affordable Housing supply that will have services on site and serve our most vulnerable unsheltered neighbors.

The City of Salem, who serves as the commission for the Housing Authority, has established key legislative priorities supporting the full funding of affordable housing programs. These programs are a perfect example of how local and state government can work together, increase the supply of affordable housing and address homelessness through long term housing stability.

A safe and stable place to call home is a basic human need.

As you know, the State of Oregon has been hit hard by a number of crises in 2020. The ongoing pandemic and summer wildfires have devastated communities across the state and thrown



families into economic distress. Prior to 2020, Oregon was already experiencing a housing crisis, and too many of our neighbors and community members were experiencing housing instability. In times of crisis like the ones that we experienced last year, and the one we are continuing to experience, a strong response to aid those who are most impacted is critical.

Throughout the years, SHA has worked with OHCS to implement and administer various programs including LIFT, LIHTC, OAHTC, MHHF and are currently applying for PSH funding. These programs are crucial to building the critical supply of affordable housing in our community.

We strongly support the passage of HB 5011 so that organizations like ours can continue to partner with OHCS and work to serve the people of Oregon.

Thank you for your time and for your service to the State of Oregon.

Sincerely,

Jessica Blakely

Jessica Blakely
Asset Manager
Salem Housing Authority



Here is some of what is included in HB 5011. A full list is available [here](#):

- a. Emergency Housing Account and State Homelessness Assistance Program:
Included in the OHCS budget is \$40 million for the Emergency Housing Account (EHA) and State Homeless Assistance Program (SHAP). The Housing Alliance and partners are advocating for \$50 million for these two programs to prevent and end homelessness.
- b. Long term rent assistance for youth: Oregon also has one of the highest rates of youth homelessness, including youth in the K-12 system, youth exiting the foster care system, and unaccompanied youth. Oregon should commit \$4.5 million to provide long term rent assistance for youth experiencing homelessness.
- c. Staffing for Individual Development Accounts: Individual Development Accounts provide matched savings to Oregonians with low incomes. Advocates are working to support HB 2551 to renew the tax credit which funds the Initiative. HB 5011 would support staffing at OHCS to support the Initiative;
- d. Agricultural Workforce Housing Tax Credit: Agricultural workers and their families are in need of safe and affordable homes to live in, either temporarily during harvest or permanently. Many agricultural workers live in substandard or overcrowded housing, while working hard to put food on the table for Oregon families. The credit is used to develop housing for agricultural workers both on farms and in the community. The current program is capped at \$15 million per biennium, and the Governor's Budget proposes to expand this to \$24 million;
- e. LIFT for Rental Housing and Homeownership: Additional resources to develop regulated affordable housing are needed, including rental and homeownership opportunities. Since 2015, developers have successfully utilized general obligation bonds to build affordable housing through the Local Innovation and Fast Track, or LIFT Housing program. In 2021, the Legislature should commit \$250 million in Article XI-Q General Obligation bonds to this successful program for rental and homeownership units. (OHCS is requesting \$250 million total for LIFT and Permanent Supportive Housing.)
- f. Permanent Supportive Housing: Permanent supportive housing is one of the key solutions to ending homelessness for people who experience health conditions, mental health issues, or addictions disorders. The Legislature should commit \$50 million in General Obligation Bonds and resources for rent assistance and services to help develop new supportive housing across Oregon.
- g. Preservation of existing affordable housing: Across Oregon, we need to maintain our supply of existing affordable housing, and reinvestment is needed to maintain safe, stable, and affordable homes. These funds are needed to help to maintain all regulated, multifamily affordable housing, as well as public housing and manufactured home parks. The Legislature should commit \$100 million in Lottery Bonds to meet needs to maintain existing affordable housing across Oregon. (OHCS is requesting \$10 million.);
- h. Land Acquisition: Purchasing land when it is available is critical. Oregon has a successful but underfunded Land Acquisition Program at OHCS, which has been successfully used to purchase and hold land for affordable housing while the developer puts together financing. The Governor's budget proposes \$20 million.



- i. Down Payment Assistance: Across Oregon, people are eager to purchase their first home, but are struggling because of rising home prices. Assistance for down payments can help homeowners get into their first home. OHCS is requesting \$10 million to pair with their new loan product for first time homebuyers.
- j. Addressing Racial Disparities in Homeownership: OHCS is seeking \$2 million to provide expand funding for staff to provide technical assistance and outreach to communities of color. Some strategies include: language access technical assistance, collaboration with culturally specific organizations, and outreach strategies targeted to communities of color.
- k. Manufactured Home Park Preservation and Manufactured Home Replacement: Across Oregon, manufactured home parks are at risk of sale or closure. HB 5011 includes \$3.5 million to increase efforts to preserve manufactured home parks. In addition, thousands of Oregonians live in manufactured homes that were built before stricter laws were implemented by the US Department of Housing and Urban Development (HUD) for health, safety, design, and materials, or people may have lost their manufactured homes due to wildfire. HB 5011 expands on a program funded in 2019 to support homeowners to replace their homes.
- l. Resources to develop affordable homeownership opportunities: Households across Oregon are seeking an affordable home to buy, but cannot find a first home that is affordable. More resources are needed to develop affordable homes for purchase across Oregon. OHCS is seeking \$10 million for this effort.