



March 11, 2025

Senate Committee on Housing and Development
Oregon Legislature
900 Court St. NE
Salem, Oregon 97301

RE: Support for SB 50-1

Dear Chair Pham, Vice-Chair Anderson, and Members of the Committee:

I write to you on behalf of Home Forward in support of SB 50-1. This bill sets aside \$60 million of the LIFT allocation in the 25-27 biennium for the Portland Metro area to be used for acquisition of like new market housing by Public Housing Authorities and nonprofits for conversion to affordable rental housing.

Home Forward is the Public Housing Authority (PHA) for Multnomah County and the largest provider of affordable housing in the state of Oregon. We serve approximately 18,000 low-income households by providing affordable housing, administering rent assistance, and providing supportive services. We own over 7,200 affordable homes throughout Multnomah County and provide households with services which range from housing stability supports to health and wellness. Meanwhile, we fund rent assistance for over 12,000 households each month. Home Forward's mission is to create a better community by providing housing stability through affordable housing development, housing choice expansion, services that support quality of life, and advocacy to improve local and national housing systems.

Currently, in the Portland metro area we are experiencing a unique real estate market where it is significantly cheaper to purchase like-new market rate housing and convert it to affordable rental housing than it is to build affordable housing from scratch. In fact, it is 30-50% cheaper to create new affordable housing through acquisitions than new construction. In addition to the noteworthy cost savings, acquisition creates affordable housing units much faster than new construction. Typically, it can take 3-5 years to build new affordable housing. However, with acquisitions, a building can immediately transition to affordable housing following the acquisition as either existing tenants income qualify or new income qualifying tenants move in. As an additional benefit, the developer of the like-new market rate housing uses the proceeds from the sale as capital to fund their next housing development.

Home Forward has taken advantage of these market conditions to increase affordable rental housing in Portland through two recent acquisitions. With limited funding from Oregon Housing and Community Services and the Portland Housing Bureau, Home Forward recently expanded affordable housing supply via open-market acquisitions in two high-opportunity neighborhoods at

a combined cost savings of approximately 37% of new development. In December 2024, Home Forward purchased a 47-unit property, providing immediate conversion to Permanent Supportive Housing for formerly homeless persons with rents affordable at 30% area median income upon unit turnover. In March 2025, Home Forward will purchase a 61-unit property and lower the rents to be affordable to tenants at 50% area median income.

Despite Home Forward's recently successful acquisitions, the challenge remains that acquisitions must compete with new construction, conversions, and other eligible uses of LIFT funds through the Oregon Centralized Application (ORCA). This process is competitive and creates barriers to securing funding in time to meet private market closing timelines. Through SB 50-1, we are assuring that funds will be set aside to allow for mission driven housing providers to seize this unique moment to address our housing crisis quickly and efficiently.

I urge you to advance this cost-effective use of public funds to bring more affordable rental housing quickly in the Portland metro area by supporting SB 50-1. Thank you for the opportunity to offer support. Please contact me at christina.dirks@homeforward.org or (503) 348-1196 regarding these comments.

Sincerely,



Christina Dirks
Director of Policy and Planning