



February 28, 2023

Sheila Stiley, Board chair – NW Coastal Housing

Kymberly Horner, Vice-chair - Portland Community Reinvestment Inc.

Rachael Duke, Secretary - Community Partners for Affordable Housing

Kristy Rodriguez, Treasurer - Housing Authority of Malheur & Harney Counties

Trell Anderson – Northwest Housing Alternatives

David Brandt - Housing Works

Wakan Alferes - Homes for Good

Rita Grady – Polk CDC

Maria Elena Guerra - Farmworker Housing Development Corp

Nkenge Harmon Johnson – Urban League of Portland

Brad Ketch – Rockwood CDC & Community Dev. Corp. of Oregon

Erica Mills – NeighborWorks Umpqua

Shannon Vilhauer – Habitat for Humanity Oregon

Senator Aaron Woods
Representative David Gomberg
Co-Chairs, Joint Ways and Means, Transportation and Economic Development Subcommittee
900 Court St NE
Salem, OR 97301

Re: Support for SB 5511

Dear Co-Chairs Woods, Gomberg and Members of the Committee:

Housing Oregon, a membership-based statewide association of over 80 affordable housing community development corporations and allies committed to serving and supporting low-income Oregonians, urges your support for Senate Bill 5511. This bill, providing over \$1.46 billion, will go a long way towards funding OHCS in order to:

- Reduce unsheltered homelessness this year;
- Rehouse people experiencing homelessness in the longer term;
- Build and preserve more housing units statewide; and
- Increase homeownership.

These historic investments will make significant progress towards Governor Kotek's annual production target to produce 36,000 housing units per year. It took years for Oregon to get into our current housing and homelessness crisis. We're going to need a sustained multi-year commitment to produce the housing supply we need in the next ten years. This budget proposal is an important step in the right direction.

While this budget focuses on funding for building new units, we want to call attention to ensuring we do everything possible to ensure completion of projects already in the pipeline. There are thousands of units for which funding is already reserved but which have faced significant cost escalation in the past year. Projects are at risk due to rising interest rates, increased insurance rates due to wildfire risk, ongoing market volatility with supply chain issues, construction material costs, and labor shortages. Getting these projects to closing would be a wise use of public resources.

The Governor's recommended budget invests \$1.0325 billion in proven and innovative supply solutions. This aligns with the Oregon Housing Needs Analysis which makes it clear the state must invest in the production of new homes and preservation of existing stock. We look forward to discussions with legislators in the coming weeks about the barriers and impediments and associated costs to developing affordable housing, of which numerous other bills address.

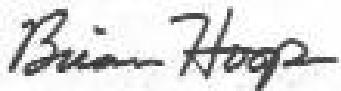
Consideration of this budget request also needs to include an honest assessment of the true cost of developing and operating the different housing types we need. This includes challenges associated with providing housing for the chronically homeless and those with incomes under 30% AMI, the need for more Permanent Supportive Housing for those with behavioral health care needs, and additional 2,3 and 4 bedroom rental units for families.

In addition, investments in homeownership are a critical tool to overcome persistent racial disparities in access to homeownership for households of color. The work of the Joint Task Force Addressing Racial Disparities in Homeownership provides important recommendations that align with these budget recommendations to expand the creation of generational wealth for Communities of Color across Oregon.

The \$415.45 million in the budget for homelessness response and prevention aligns with the Early Session package proposed by Governor Kotek. This early package serves as a “down payment” to expedite coordination between state agencies and local communities to launch emergency responses sooner. The Governor’s recommended budget expands on those early investments to rehouse and maintain housing stability for households moving from unsheltered homelessness into stable housing; provides ongoing homelessness prevention support; maintains shelter operations; and creates new permanent supportive housing.

We urge you to support SB 5511 to fund OHCS, which balances the needs of Oregonians experiencing homelessness with addressing chronic housing supply shortfalls. Thank you for your attention to this critical issue. You can reach me at 503-475-6056 or brian@housingoregon.org.

Sincerely,

A handwritten signature in black ink that reads "Brian Hoop". The signature is fluid and cursive, with "Brian" on top and "Hoop" below it, both starting with a capital letter.

Brian Hoop
Executive Director
Housing Oregon