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March 28, 2021

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

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

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

Housing Oregon is a membership-based statewide association of affordable housing nonprofits and Community Development Corporations (CDCs) committed to serving and supporting low-income Oregonians across the housing needs spectrum – from homeless to homeowner. We are working towards a day when every Oregonian has a safe and healthy place to call home.

OHCS has been a critical partner in response to both the COVID pandemic and summer wildfire crises in 2020. Both continue to devastate communities across the state and have resulted in economic distress for countless families. As you know, Oregon was already experiencing a housing and homelessness crisis prior to these events.

OHCS continues to show strong leadership working with partners across the state assisting individuals and families experiencing housing instability. Housing Oregon and its 45 member organizations work with OHCS to implement and administer programs ranging from delivering homeless services, developing multifamily rental housing, and homeownership education and counseling for low-income Oregonians.

Below are a few priorities we urge your support for OHCS to continue providing these critical housing programs:

Agricultural Workforce Housing Tax Credit

\$24 million. 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. Safe and healthy housing for Oregon's estimated 160,000+ agricultural workers is a critical component for maintaining a stable workforce. These workers are the foundation of Oregon's agricultural economy estimated at a value of \$5.6 billion in 2019 according to the USDA's Economic Research Service (Jan. 5, 2021.) And yet, according to Oregon Housing and Community Services, less than 5% of the housing needs of agricultural workers and their families have been met.

LIFT for Rental Housing and Homeownership

Additional resources to develop regulated affordable housing are needed, including rental and homeownership opportunities. OHCS' Statewide Housing Plan includes prioritizing housing for communities of color and rural communities, two populations specifically targeted by the Local Innovation and Fast Track, or LIFT Housing program. Since 2015, developers have successfully utilized general obligation bonds to build affordable housing through LIFT. In 2021, the Legislature should commit \$250 million in Article XI-Q General Obligation bonds to this successful program for rental and homeownership units.

Permanent Supportive Housing

Permanent supportive housing (PSH) is one of the key solutions to ending homelessness for people who experience health conditions, mental health issues, or addictions disorders. PSH is critical for addressing systemic racism in our housing crisis as people experiencing homelessness are disproportionately people of color, compared to their percentage of the general population. We support committing \$50 million in General Obligation Bonds and resources for rent assistance and services to help develop new supportive housing across Oregon. Our members can demonstrate \$50 million+ in potential projects that could come forward in the 2021-23 biennium.

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. OHCS' Affordable Housing Land Acquisition Revolving Loan Program (LAP) was created in 2017 by the Oregon legislature to assist eligible organizations in Oregon to purchase land suited for affordable housing development. We support the Governor's budget proposal of \$20 million for land acquisition.

Addressing Racial Disparities in Homeownership

Communities of color continue to face systemic barriers in Oregon to accessing opportunities for homeownership as a result of generations of racist legislation and industry practices going back to the founding of this state. We support the OHCS request for \$2 million to ensure we are getting the necessary resources to culturally specific organizations who are best equipped to design effective programs that fit the needs of their constituencies to access the financial education, counseling, and resources, such as the IDA initiative, to succeed in reaching their goals of homeownership.

Down Payment Assistance

Assistance for down payments can help homeowners get into their first home, an increasingly challenging prospect due to rising home prices. Due to systemic racism, red lining, disparities in wealth and wages, people of color are less likely to own their home than their white peers. In

Oregon, approximately 35% of Black people own their homes, compared to 65% of White people in Oregon. The lack of accessing the opportunity for asset building, such as through homeownership, has removed much opportunity for economic growth and has increased a proliferation of poverty among BIPOC communities. We support the OHCS request for \$10 million to pair with their new loan product for first time homebuyers.

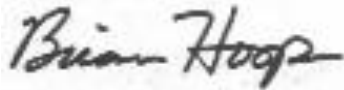
Resources to develop affordable homeownership opportunities

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. We support OHCS' budget request of \$10 million for this effort.

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. Please feel free to contact me if you have questions at 503-475-6056 or brian@housingoregon.org.

Sincerely,

A handwritten signature in black ink that reads "Brian Hoop". The signature is written in a cursive, slightly slanted style.

Brian Hoop
Executive Director
Housing Oregon