



Everyone deserves a place to call home.

April 8, 2021

Joint Ways and Means Subcommittee on Capital Construction
Senator Fred Girod, Co-Chair
Representative Paul Holvey, Co-Chair
Submitted via OLIS

Dear Co-Chair Girod, Co-Chair Holvey, and Members of the Committee:

I am writing on behalf of REACH Community Development, a non-profit that has created and sustained over 2,500 affordable rental homes in the Portland metro region. I am also writing to express REACH's support on behalf of our Advocacy Committee, composed of community volunteers including residents who make their home at REACH communities.

REACH supports SB 5505, and the Housing Alliance request for \$250 million in General Obligation, Article XI-Q bonds to build affordable homes across Oregon through the LIFT program.

A healthy community begins at home. A healthy community has a range of housing options affordable to people at all income levels. Today, communities across Oregon are failing this basic measure of community health. The average worker in Oregon, earning the median income and paying the median 2 bedroom rent, will pay 45% of their income in rent (National Low Income Housing Coalition 2020 report). And for seniors whose primary income is social security, there is virtually no housing available that is affordable to them, unless it is subsidized in some way, such as LIFT.

Investments like LIFT are critical to creating access to housing in all of our communities. REACH is focused in the Portland Metro region, and LIFT also has a proven track record statewide. We used the LIFT program to build Wy'East Plaza in East Portland. The project advanced REACH's goals to build affordable homes near transit and vital services for people. A range of amenities exists within minutes of the site, from retail to parks to medical centers and employment. The project specifically addresses the shortage of affordable housing for communities of color in East Portland. With rapid displacement of communities of color to East Portland, the neighborhood is experiencing drastic growth in historically underserved communities. And now displacement is observed in East Portland as market rents are rising very fast here as well.

The project is aligned with LIFT Program focus on cost efficiencies, with an average total development cost of \$162,857 per home. Thanks to LIFT, Wy'East Plaza achieved much deeper affordability than might otherwise be possible. One third of the rental homes are affordable at 30% of median income, much lower than the typical 60% level that is typical in many tax credit developments. And this was achieved without the use of rental subsidy vouchers that are in



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short supply. Simply put, without LIFT funding, this project would not have happened and would not have had this deeper affordability.

Looking ahead, REACH is planning to build more affordable homes in Portland, Tigard, Beaverton and Cornelius. LIFT funding is critical to sustain the elevated pace of affordable development that our communities need. **For example, we will be seeking LIFT funding to support a two-phase development in the Tigard Triangle.** REACH has already had contact with over 40 community-based organizations giving input on this mixed use project with housing, community spaces and businesses. LIFT funding will be critical to building 300 – 400 new affordable apartment homes here, including family-sized apartments with adjacent studios for multigenerational households. 15% of the units will provide for much needed accessibility for folks with disabilities, and we are also exploring Permanent Supportive Housing (PSH) here.

Since 2015, the Legislature has committed \$320 million in general obligation bonds to the LIFT program, and OHCS has awarded \$232 million and counting, over 3,600 affordable homes since 2015. These homes are being built across Oregon – Newport to Ontario, Klamath Falls to Astoria, Roseburg, Hermiston, Eugene, Bend, Redmond, and Sisters, and everywhere in between.

Additional LIFT resources are urgently needed to improve the health of our communities at this time when housing costs are escalating. Please support \$250 million to develop new affordable homes across Oregon. This investment will create housing that is guaranteed to remain affordable within our communities for decades to come.

Thank you for considering our input and for your leadership at this time of great change. This is the time to lead boldly and invest for our future generations.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dan Valliere", with a long horizontal flourish extending to the right.

Dan Valliere
CEO, REACH Community Development