

## House Housing and Homelessness Committee

February 2, 2023

### Testimony by Bill Van Vliet in support of **HB 2980**

My name is Bill Van Vliet, Executive Director of the Network for Oregon Affordable Housing. NOAH is a statewide non-profit lender for affordable housing projects.

Rep. Marsh is unable to be here today and asked me to introduce HB 2980. She refers to this bill as “The Big Idea” to boost housing production.

HB 2980 is the second of two housing production bills from the Housing Innovation Partnership, a large public/private stakeholder group that met regularly over the past year to identify barriers and design solutions for housing production. Both bills provide resources to substantially boost the production of housing affordable for households earning less than 120% AMI.

As you know, Oregon faces a significant shortage of all types of housing. There are virtually no resources available for housing serving households between 60-120% AMI. Our workgroup heard loud and clear that the lack of modest support for this segment of the market is a major barrier to production. No matter how much we wish it were different, projects are simply not financially feasible.

This is an elegantly simple concept. HB 2980 establishes a revolving loan fund that will provide modest support for these projects. The state fund will work hand in hand with local jurisdictions which will identify projects based on local priorities. The jurisdictions will use tax increment from the new project to repay the fund over 10 years. In this way, the fund will revolve and loan repayments will be used to fund future projects.

This is not a one-time expenditure. This is a long-term housing production resource. We believe this fund could catalyze development of approximately 17,500 homes on the first deployment alone.

Lorelei will get into the details of the fund, and then you’ll hear from a strong panel of developers and jurisdictions that will explain the challenges they face meeting needed housing in their communities.

As I said on Tuesday, I’ve spent nearly 30 years as an affordable housing advocate, and I applaud the Governor’s strong budget recommendation for affordable housing. And I also fully believe that we cannot solve our affordable housing crisis unless we also solve the greater housing shortage. To be successful and reduce pressure in the markets, an aggressive production agenda must include modest support to build housing affordable to moderate income Oregonians.

In closing, we acknowledge that this approach freezes existing property taxes for a new development for 10 years, which has an impact on taxing districts. We've tried to minimize the impact by designing a shorter term program to limit the impact on any one district.

Thank you.