



Everyone deserves a place to call home.

March 2, 2023

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:

REACH Community Development 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.

REACH Community Development (REACH) is one of the Portland Metro region's largest affordable housing developers and operators and a national leader in affordable green building. Established in 1982, REACH strongly believes that innovative and equity-centered community partnerships are essential to accomplishing its mission and stewarding over 2,700 affordable apartments across the Portland metropolitan region and Southwest Washington. REACH has a long development history, working with diverse populations and funding types. REACH is a member of NeighborWorks America, Housing Partnership Network (HPN), and a designated Community Housing Development Organization (CHDO), reflecting its community-based approach, financial stability, and strength as a nonprofit affordable housing provider. Over the last five years, REACH's Housing Development team has closed more than \$228 million in new development, creating and preserving 1,002 affordable homes. REACH is a full-service housing organization with onsite property management, asset management, resident services, and fiscal and accounting services.

One example of a recent REACH project is Wy'East Plaza that provides 175 units of affordable housing in East Portland. This development focuses on providing housing to the most marginalized communities, including BIPOC and LGBTQ+ residents. Intensive outreach to our culturally-specific and nonprofit partners has resulted in housing individuals and families referred by: Central City Concern; Clackamas Housing Authority; Columbia Care; Do Good Multnomah and Do Good Oregon; Greater Good NW; Human Solutions; Lifeworks; Native



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American Rehabilitation Association of the Northwest Inc. (NARA); NW Pilot Project; Outside In; Providence Resources; and Rose Haven. Upon completion of lease-up residents include 43% of households identifying as BIPOC, including 26% Black/African-American. From concept through completion, our development team focused on developing and implementing strategies for Cost Containment that helped achieve a total construction cost of less than \$118,000 per dwelling unit. The 175-unit project is 100% rent-regulated, with 52 units at 30% AMI and 123 units at 60% AMI without PBS8 Vouchers. Funding sources include an OHCS Local Innovation and Fast Track Housing Program (LIFT) loan, an OHCS Multifamily Energy Program grant, 4% LIHTC equity from Bank of America, a permanent loan from the Network for Oregon Affordable Housing (NOAH), and Oregon Affordable Housing Tax Credits (OAHTCs).

The Governor's recommended budget invests \$1.0325 billion in proven supply solutions including OHCS' Local Innovation Fast Track (LIFT) Rental Program, Permanent Supportive Housing and preservation programs. This proposal also builds on more recent innovations we are excited about including expanding the co-location of early learning and affordable housing developments and establishing a PSH Risk Mitigation Fund to stabilize operating costs and support the longevity of PSH developments. These all align 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.

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.

Sincerely,

A handwritten signature in blue ink that reads "Peter Clements".

Peter Clements
Interim Director of Housing Development
REACH Community Development