

March 14, 2023

To: Senate Committee on Housing and Development

**RE: Support for Senate Bill 936**

Dear Chair Jama, Vice-Chair Anderson and Members of the Committee:

My name is Jackie Keogh and I am writing on behalf of Kôr Community Land Trust to urge your strong support for Senate Bill 936.

SB 936 would:

- Allocate \$100 million each biennium to subsidize the development of 500 homes with a maximum subsidy of \$200,000 per home.
- Improve the existing Land Acquisition Revolving Loan Program or create a new fund of \$30 million to purchase 200 parcels for homeownership development per biennium at zero percent interest.
- Allocate \$20 million to OHCS to invest in community-based, innovative models for increasing homeownership in culturally responsive ways.

The underproduction of housing and shortage of entry-level homes are driving up unaffordability for everyone and impeding efforts to close racial, ethnic and generational gaps in homeownership and wealth-building opportunities. Oregon's Housing Needs Analysis makes it clear: **The state must invest in the production of new homes.** Kôr Community Land Trust has a proven track record of successfully leveraging similar funding resources, such as Local Innovation and Fast Track (LIFT) for Homeownership. Kôr Community Land Trust currently has 47 homes in the pipeline and we need significant investment in order to continue to build housing at this rate. What's more is that we have new projects throughout Central Oregon that are ready to go, but awaiting funding.

SB 936 allocates \$100 million in general fund dollars to help offset the production of affordable, entry-level homes for sale. Governor Kotek's budget allocated \$154 million in LIFT for Homeownership (Article XI-Q general obligation bond resources) to subsidize the development of permanently affordable homes for purchase. In a funding application opportunity that Oregon Housing and Community Services closed within the past few weeks, Kôr Community Land Trust sought an average per home subsidy of \$186,000. We believe that this \$100 million investment, which could be used as a stand-alone subsidy for homeownership developments of all types and as a resource paired with LIFT to help make developments pencil, can be leveraged to help create over **1,400 homes for purchase.** General fund resources are key to offsetting the costs to build both in rural Oregon communities and in opportunity-filled neighborhoods. Kôr Community Land Trust believes in building communities where homeowners have access to amenities that include shorter commute times to work, proximity to high-performing schools, medical care, healthy food, and childcare services.

As every affordable homeownership developer knows, maintaining a pipeline of buildable land in high-amenity locations is key to sustainably expanding our homeownership production rates. As we work collectively to better

meet our state's needs for affordable and entry-level homes, we need to expand our pipeline at its source: sites located in desirable areas with access to opportunities. SB 936 is a key recommendation from the Joint Legislative Task Force Addressing Racial Disparities in Homeownership (JARDHO). The Land Acquisition Program administered to date by Oregon Housing and Community Services has been under-subscribed by homeownership developers—especially those operating in rural Oregon. As part of JARDHO's process for developing substantive proposals, members of the OHCS staff team reached out to affordable homeownership developers to better understand hurdles to using these evergreen loan resources as initially intended. The no-interest, revolving loan fund included in SB 936 will meaningfully address these hurdles. With your help, our state's network of affordable homeownership developers stands ready to build the pipeline of entry-level homes for sale. This improved, evergreen program is foundational to increasing home production.

As we all work together to meaningfully expand entry-level homebuilding statewide, innovation will continue to be important. Kôr Community Land Trust is expanding rapidly and bringing on innovative programs to address the need for affordable housing. We know that many of you in this building and many of our colleagues and co-collaborators have ideas that will further help us to expand our community impact together.

As homeownership providers, Kôr Community Land Trust urges targeted investment in key programs that expand opportunities for Oregonians to plant roots in their communities and begin building intergenerational wealth. Kôr Community Land Trust is well-positioned to help meet supply shortfalls in Central Oregon. Your support of the critical investments included in Senate Bill 936 will ensure that we succeed together.

In partnership,

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

Jackie Keogh, Executive Director