



March 5, 2024

Senator Fred Girod, Co-Chair  
900 Court St NE, S-323  
Salem, Oregon 97031

Representative Paul Holvey, Co-Chair  
900 Court St NE, H-277  
Salem, Oregon 97031

**RE: \$15 million for affordable homeownership production in HB 5203**

Dear Senator Girod, Representative Holvey, and Capital Construction Subcommittee Members:

The Oregon Housing Alliance calls on you to allocate \$5-15 million to build affordable homes for homeownership as part of HB 5203. This funding was initially included in SB 1530; its exclusion from the final version of that bill has put shovel-ready housing construction projects in jeopardy all across our state.

Homes produced with these funds typically sell for 50% of the local median sales price, making stable housing and wealth-building possible for low- and moderate-income households who are otherwise priced out of homeownership. Households of color are particularly impacted by the high cost of purchasing a home, due to a lack of intergenerational wealth and the continuing impacts of racial discrimination. That is why the legislature’s own Joint Task Force on Addressing Racial Disparities in Home Ownership (JARDHO) has called for \$100 million each biennium in flexible funding to build new homes for homeownership. However, in 2023 the Legislature appropriated only \$5 million for this purpose. Oregon Housing and Community Services reports that this limited funding is already 82% allocated, just one month into the current funding cycle.

As a result of inadequate funds, the vast majority of affordable homeownership production currently in the pipeline will remain on hold indefinitely, including projects that are otherwise ready to move forward in the next two years in these communities:

Bay City 7 homes	Harrisburg 2 homes	La Pine 46 homes	Portland 39 homes	Scappoose 10 homes
Corvallis 41 homes	Independence 10 homes	Lincoln City 6 homes	Prineville 30 homes	Silverton 18 homes
Cottage Grove 5 homes	Joseph 23 homes	Madras 30 homes	Riddle 6 homes	
Eugene 88 homes	La Grande 7 homes	McMinnville 6 homes	Redmond 98 homes	

Without a timely infusion of general fund resources, some of the developments listed above may fall through altogether. One example is a 41-home project in Corvallis, which cannot break ground without \$2.5 million in flexible general fund dollars to pair with LIFT bonds. These homes, if they can be built, will sell for \$280,000 in a market where the median price is \$570,000.

The developers that stand ready to build new homes for homeownership are trusted community partners: Habitat for Humanity, DevNW, Rooted Homes, SquareOne Villages, Working Homes LLC, and CASA of Oregon, among others. These organizations have a track-record of constructing high quality, energy-efficient, family-size homes that meet the needs of our state's communities – from Central Oregon to the Coast, and from the Willamette Valley to Wallowa County.

We cannot afford to miss this opportunity to produce hundreds of new homes across the state and make homeownership possible for hundreds of families. Please allocate \$5-15 million for affordable homeownership production as part of HB 5203.

Sincerely,

A handwritten signature in black ink, appearing to read "Cameron Herrington". The signature is fluid and cursive, with a large initial "C" and "H".

Cameron Herrington, Director of Policy and Advocacy  
Oregon Housing Alliance  
cherrington@neighborhoodpartnerships.org