



Portland Housing Bureau

March 18, 2025

Representative Pam Marsh
Chair, House Committee on Housing and Homelessness
900 Court St. NE, H-474
Salem, OR 97301

Re: Support for House Bill 2964

Dear Chair Marsh, Vice Chair Andersen, Vice Chair Breese-Iverson, and Members of the House Committee on Housing and Homelessness:

On behalf of the Portland Housing Bureau, I am writing to express our support for HB 2964. This bill would provide dedicated grant funding for pre-development costs for affordable housing development for the 2025-27 biennium.

Access to low-cost capital for pre-development funding is a critical resource for our development partners, many of whom accrue upwards of a million dollars in project costs sometimes years before construction even begins. These costs include everything from site acquisition, architecture and engineering, and community engagement to ensure projects are meeting the needs of the populations they intend to house.

In the absence of low-cost predevelopment funds, our partners must rely on high interest private loans or their own reserves. High interest pre-development loans not only increase the total development costs of projects, but as a result they also decrease the project's ability to offer deeply affordable rents. At a time when operating costs are increasing industry wide, it is also becoming more and more challenging for our partners to advance pre-development funds from their own reserves.

Access to grant funding through HB 2964 for pre-development costs could influence whether some projects move forward or not. **We urge you to support HB 2964.**

Sincerely,

Helmi Hisserich, Director