

March 25, 2025

Re: Support For HB 5011

Dear Co-Chairs Woods and Gomberg and members of the Committee:

I am writing on behalf of REACH Community Development Corporation to urge your support for HB 5011 to provide critical resources to OHCS for its work to expand housing opportunities and prevent homelessness across the state. I also encourage you to support the allocation of staff positions to enable the department to deliver on its mission.

REACH CDC is one of the longest standing and most prolific nonprofit affordable housing providers in the Portland metro region. For more than 40 years, we have developed, owned, and operated affordable housing to serve our community. The resources proposed in HB 5011 are critically needed for REACH and other nonprofit housing providers to build and maintain affordable housing, especially at a time when federal resources are in jeopardy.

I urge your support for key proposals that will help REACH maintain and expand our impact in the next biennium:

- **Affordable Rental Housing development.** We urge you to support resources to expand the state's housing supply through Article XI-Q Bonds allocated as LIFT and Permanent Supportive Housing (POP 515). As you know, these funds have supercharged housing development across the state. At REACH, we are actively using XI-Q Bonds to construct new housing in two counties, serving working families as well as providing supportive housing opportunities. These resources are critical to continue our momentum in expanding housing opportunities.
- **Predevelopment resources.** In addition to bonds, we strongly support investment in predevelopment resources (POP 507). REACH, like other community-based housing providers, needs flexible resources early in the development process to get started on our next projects. We have seen it become more and more difficult to find predevelopment funding from banks and other institutions, and when we can find resources, we are faced with higher and higher interest rates at a time when our organizations need flexibility and low-cost capital to build our pipelines. These resources would make a huge impact on housing supply at the ground level and would be catalysts for hundreds of new homes for our community.
- **Affordable housing preservation and stabilization (POP 519).** While we work to expand our state's housing supply, we have an urgent need to preserve and stabilize existing affordable homes. REACH operates thousands of homes and too many of them are experiencing a severe backlog of capital needs as well as financial hardships caused by external forces such as inflation, interest rates, and too many residents struggling to pay rents. Those challenges won't go away on their own. We urge the Committee to allocate

resources to preserve and stabilize existing housing. With preservation resources, we can improve existing housing, ensure its long-term viability, and create more capacity to build new homes.

- **Culturally responsive property management (POP 530).** In addition to developing housing, REACH operates properties day to day with in-house, mission driven property management. This sets our organization apart from many of our peers who must rely on external, private companies for property management services. The pandemic has made this work more challenging, as many residents are experiencing higher behavioral health needs and financial hardships. Strong, culturally responsive property management can help residents retain housing long term. We urge you to support this Policy Option Package to help strengthen mission driven property management teams such as REACH.
- **Homeownership resources through LIFT, Down Payment Assistance and HDIP (POPs 518, 521 and 522).** REACH is widely recognized as a provider of affordable rental housing, but we retain strong roots in our mission of homeownership. We urge the committee to support OHCS' homeownership proposals, in particular Policy Option Packages 518, 521 and 522. REACH has a unique opportunity in the next biennium to convert scattered site homes in our portfolio to homeownership opportunities. Our aim is to maximize the number of residents that can purchase these homes and achieve the dream of homeownership. But we can't do it alone. Resources from the Homeownership Development Incubator Program (HDIP) can help REACH to repair these homes and bring down the cost of homeownership; and Down Payment Assistance resources can make these homes affordable for low and moderate-income purchasers. We urge you to support these POPs to make resources available for this effort and urge you to clarify in budget documents that HDIP resources can be prioritized for efforts to convert rental homes to homeownership opportunities.

Thank you for the opportunity to share our perspectives and thank you for your support of these critical housing efforts.

Sincerely,



Margaret Salazar
CEO, REACH Community Development Corporation