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April 12, 2019

Joint Ways and Means Subcommittee on Capital Construction

Attention: Co-Chair Girod, Co-Chair Holvey, and Members of the Committee

On behalf of Northwest Housing Alternatives, I am writing to support **HB 5005**, and the Housing Alliance request for \$200 million in General Obligation, Article XI-Q bonds to build affordable homes across Oregon.

Northwest Housing Alternatives (NHA) provides affordable housing options for families, veterans, seniors, and people with special needs throughout Oregon. NHA maintains 1,900 apartment homes in 101 properties in 16 Oregon counties. NHA develops, builds, and manages rental housing designed for Oregonians with extremely limited incomes; most NHA households earn less than \$16,000 per year. These homes help families live healthy and stable lives, allow older adults to age in place, and give people with special needs a dignified residence. Along with providing affordable housing, NHA provides services that connect tenants to critical health and community resources, work to prevent homelessness before it begins, and offer emergency shelter and services for families experiencing homelessness.

There is a critical need for affordable housing in Oregon, especially in our rural communities. NHA has completed work throughout Oregon, and is an innovator in providing high quality rural housing with services. NHA has utilized the State's Local Innovation and Fast Track (LIFT) funding to finance a recent scattered site development: an urban workforce project in the growing Portland Gateway District combined with a family project in rural Hermiston. Initially conceived as two standalone projects, they were combined in order to achieve greater economies of construction scale and enable several financing efficiencies including a higher tax credit equity yield. In this instance for every \$1.00 of LIFT funds we leveraged \$1.79 of private funds. This is the first time this innovative funding model will be used in Oregon, which promises to help build affordable housing in rural areas that would otherwise be difficult to finance.

NHA has secured additional urban and rural project sites and is ready to build up to 523 additional new apartment homes which are perfectly aligned to utilize future LIFT funding. This commitment includes up to 110 rural apartment homes in Florence and Ontario, Oregon. Having sufficient LIFT funds available to attract private funding, as well as fully utilize the available 4% federal tax credits provided to the State of Oregon, is crucial to providing affordable housing throughout Oregon that is fully leveraged from outside resources.

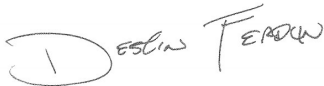
The Legislature has already committed \$120 million in general obligation bonds to the LIFT program, which has funded over 2,000 affordable homes. These homes are being built across Oregon – Newport to Ontario, Klamath Falls to Astoria, Roseburg, Hermiston, Eugene, Bend, Redmond, and Sisters, and everywhere in between. Across Oregon, there are non-profit organizations and public housing authorities who are ready to build safe, stable, and affordable homes for rent and for purchase.

With additional resources, we can complete more of this work and continue to build these critical projects that are an important part of Oregon's economic success. Please support the Housing Alliance request for \$200 million to develop new affordable homes (80% to affordable rental homes, 20% to affordable homes for sale.)

NHA understands that providing safe, stable, affordable housing is the first step in lifting a family out of poverty and providing for a stronger community.

Thank you for your attention to this need and for your service to the great State of Oregon.

Sincerely,

A handwritten signature in black ink that reads "Destin Ferdun". The signature is written in a cursive style with a large, looped initial "D".

Destin Ferdun
Director of Housing Development