



OREGON HOUSING *and*
COMMUNITY SERVICES

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May 7, 2021

Co-Chairs Girod and Holvey
Joint Committee on Ways and Means Subcommittee on Capitol Construction
900 Court Street NE
Salem, OR 97301

RE: \$30 million in Affordable Housing Preservation and Land Acquisition (SB 5534)

Dear Co-Chairs Girod and Holvey, Members of the Committee:

I write to urge your support for Governor Brown's proposed investments in affordable housing preservation and land acquisition through Oregon Housing and Community Services (OHCS). OHCS is requesting lottery backed bonds to make a \$30 million investment in both affordable rental housing preservation and land acquisition for new projects. These resources are a vital financing tool included in the [OHCS 2021 Legislative Agenda](#) and will support the advancement of [Oregon's Statewide Housing Plan](#).

OHCS is requesting lottery backed bonds to make a \$10 million investment in affordable rental housing preservation. While OHCS is building a record number of new, affordable homes, we can't afford to lose any existing affordable homes. Last year took a toll on the availability of affordable housing preservation resources. OHCS was set to receive \$25 million in lottery bonds. However, due to decreased lottery revenue, we were unable to sell those bonds and offer those resources to preserve affordable housing. While lottery bonds are not the only resource to preserve these homes, the loss of \$25 million will have a lasting impact on our ability to preserve affordable housing.

In the next two years alone, approximately two thousand affordable homes may convert to market rate. We owe it to those residents to do everything we can to keep their homes affordable. Additionally, we must ensure the quality of these homes and help providers improve the longevity of this vital housing stock. I urge your action this session.

OHCS, following the leadership of Governor Kate Brown, is also requesting \$20 million for the Housing Land Acquisition Revolving Loan Program (LAP). These resources help affordable housing developers purchase land quickly and provides 8 years for a homeownership or rental development to come together. Funds are provided as revolving loans and return back to OHCS once the development's financing is finalized, allowing a onetime investment to leveraged for decades to come. Read the latest [legislative report](#) to learn more about the program.

In 2017 OHCS self-funded this program with pre-development resources, approximately \$2,500,000. LAP funds helped a non-profit and housing authorities purchase three plots of land across the state from La Grande to Redmond to St. Helens. I am happy to report that some of



these resources have already recycled back into the program. We will open with limited program resources on June 3rd, but your investment could help us expand this successful program. With a \$20 million in lottery bonds for land acquisition, OHCS will be able to continue to assist partner organizations in buying land to build new affordable rental housing developments across the state. Additionally, this program could help spur affordable redevelopments in wildfire impacted communities. Now is the time to seed this fund and ensure we're building back better.

I urge you and your colleagues to continue the trend of historic investment in affordable homes. With your investment this session, Oregon will exceed the ambitious goals of our Statewide Housing Plan and help every community thrive.

Sincerely,
Margaret Salazar
Executive Director
Oregon Housing and Community Services

