

House Housing and Homelessness Committee

January 31, 2023

Testimony by Bill Van Vliet in support of **HB 2981**

My name is Bill Van Vliet, Executive Director at the Network for Oregon Affordable Housing. NOAH is a statewide non-profit lender for affordable housing projects.

I've spent nearly 30 years in the affordable housing industry, and it has become increasingly clear to me that we cannot solve our affordable housing crisis unless we also address the greater housing shortage. Lower income Oregon households are negatively and disproportionately impacted by market forces caused by the substantial shortage of homes.

While it is imperative that we continue strong investments in affordable housing, we also need to significantly boost production of all housing if we want to lessen the crisis. Building housing that is affordable for households earning 60-120 of AMI is very difficult without targeted support.

This bill proposes certain resources and tools aimed at boosting housing production which will take pressure out of the market for the benefit of low and moderate income Oregonians.

I'm here to introduce three of the items in the bill:

1. Section 1 of the bill and Section 1a of the amendments includes funding for jurisdictions or developers for needed infrastructure and public improvements that support moderate income housing development. This resource will offset infrastructure costs including transportation and utility extensions.
2. Section 2 establishes a land and predevelopment loan fund for moderate income housing. The holding costs of land through the entitlement phase was described as a costly barrier for new project development. The bill recommends deployment of a low cost loan fund through a statewide non-profit CDFI to expedite deployment of this resource to projects.
3. Section 3 establishes a construction loan guarantee program to facilitate developer access to traditional construction financing, especially in support of smaller and emerging developers with shovel-ready projects, and projects located in markets lacking recent comparable developments needed to justify appraisals and values.

Each of these concepts responds to barriers identified by our public/private stakeholder group that developed the menu of solutions. With these tools, we can accelerate the production of thousands of units of needed housing throughout the state. Moreover, the majority of these resources will be for revolving loan funds that will continue to stimulate production through relending.

Thank you.