

**DICK ANDERSON
STATE SENATOR
DISTRICT 5**



OREGON STATE SENATE

Testimony in Support of SB 534

February 01, 2023

Good morning Mr. Chair and members of the committee, for the record my name is Senator Dick Anderson and I represent District 5.

This bill comes to you as a result of many conversations and meetings I have had over the past year with people I would refer to as “do-ers”. They are the builders, the construction companies, the developers and the financiers. They are both for-profits and non-profits. These individuals and groups are the ones who create the housing we most need. They care about our state and many have become extremely frustrated with the roadblocks and the regulatory environment that permeate much of our development culture. In my listening sessions across the state I believe more cooperation, creativity and innovation is needed. This is one step in that direction.

We all know there is need for more middle-income housing. This range of housing is difficult to build because it often does not pencil out financially. It usually requires some incentive or light subsidy. Our goal with SB 534 was to create a fund that would be patient money and help fill this void.

One of the biggest challenges with some of our current funding mechanisms is their competitive and somewhat subjective nature. There are well-intentioned reasons why we want to ensure applicants have appropriate motives and are good stewards when receiving public subsidy. But the tournament format creates uncertainty amongst applicants.

The intent of this fund is to create a revolving allocation that is “first come first served”. It would target middle income projects and provide them with more certainty. Time is money in construction and uncertainty around funding creates risk. What often happens with our government funding formats is that the applicant carries all the risk while waiting in limbo. This limits their ability to do more than one project at a time.

Our hope is to pilot a funding model that is based on clear criteria with appropriate sideboards set by the state. If the criteria is met, the money is allocated. We think this would be desirable, especially for smaller developers, who might not have access to as much working capital.

Please note that I did not design the fund to be permanent on purpose. I also intentionally did not make it for largest dollar amount I could conceive of. I am a big fan of pilots and of assessments. If the fund is being utilized and accelerating production, we can extend the life of the fund.

I would also like to highlight that just because a developer is a non-profit does not mean they are more likely to do work force or middle housing. Non-profits do incredible work, but we must engage all kinds of developers and builders to unlock more private capital if we are going to meet the ambitious goals set by the Governor.

We can't keep doing things the way we have always done them. Every idea and project won't work perfectly, but we need to have the courage to try new things if we are going to get out of this crises. We need to partner with creative thinkers in the field, and I believe this is one product of that kind of collaboration.

I would note, we are considering a few small amendments to the bill.

I urge your support of SB 534.

Sincerely,

A handwritten signature in black ink, appearing to read "Dick Anderson", with a horizontal line underneath.

Senator Dick Anderson
Senate District 5
Lincoln County, parts of Benton,
Lane, Douglas, and Coos Counties