



March 31, 2023

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

RE: Support Bond Investment in Affordable Housing (HB 5005)

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

Proud Ground urges your support for HB 5005, which would provide critical bonding resources for housing investments during the 2023-25 biennium. Programs HB 5005 would fund are critical to increase affordable housing development in support of Governor Kotek's ambitious housing production goals. These investments will help address our state's shortage of 140,000 homes, of which half need to be affordable, as called for in the Oregon Housing Needs Analysis.

Proud Ground is in the largest community land trust in the region providing homeownership opportunities to working families in the range of 60 to 80% AMI. Desperately needed units at this AMI especially for families left behind the housing market are made possible by LIFT funds. LIFT has been a critical source of funding for the development of homeownership units for Proud Ground and our developer partners including Habitat for Humanity and private builders.

HB 5005 directs \$906 million in General Obligation Bonds for investment to the Local Innovation and Fast Track (LIFT) Rental Housing and Homeownership programs and the Permanent Supportive Housing Program. The LIFT programs have leveraged federal and private investments contributing to the production of needed affordable rental homes AND homeownership opportunities for families in Oregon and for communities of color.

HB 5005 allocates \$450 million in Private Activity Bonds (PAB) from federal resources to Oregon Housing and Community Services with approximately \$158 million dedicated for homeownership. Proud Ground has applied for and won LIFT funds for New Spirit Village in the City of Medford prioritizing fire survivors for the homes built. We are among the organizations that applied for projects in the recent round that would allow units to be built in outer NE Portland, in the City of Milwaukie and in the historic black neighborhood in N/NE using the Preference Policy. We leverage private donations and other jurisdictional funding to fill the gap for families who need a downpayment to purchase a home. Proud Ground removes all barriers for buyers using HUD certified councilors, real estate brokers and community land trust professionals. According to the summery provided by OHCS staff yesterday, all of the category of funding was oversubscribed indicating the growing need and the organizational ability to build homes.

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Children need stability and safety. Homeownership provides families with the opportunity to anchor in community and promote educational success as kids can stay in their neighborhood school. This funding focus is certainly part of the effort to build assets and wealth in communities and for families. We believe that it will create systematic change to each household's stability, and in turn impact the state's economic vitality.

Moreover, this investment creates family-sized homes that are community assets available to those most in need of affordable homeownership opportunities. The funds invested in each home would be maintained by Proud Ground and the state's funds would grow as the home appreciates. The State of Oregon's investment in permanent affordability demonstrated its long-term impact when its permanently affordable homes are resold to new qualified residents. Because of Proud Ground's Community Land Trust model, new households are served without any additional investment from the State in the future.

Proud Ground urges the subcommittee's support for HB 5005. Thank you for your service to our state.

Sincerely,

Diane Linn, Executive Director
Proud Ground

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