



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,

Central City Concern 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.

Addressing the major gaps in capital funding resources and Private Activity Bond capacity is critical for CCC to meet our housing production goals and is a key strategy for the State of Oregon to meet its own goals of creating new, abundant, and affordable homes across income levels. The over-subscription of existing funding sources for affordable housing construction has limited our ability to meet the extreme need we see in the communities we serve in the Portland Metro Area. With local resources like the Portland Housing Bond and Metro Housing Bond fully expended, reliance on state resources and Federal Low Income Housing Tax Credit program will only increase.

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 6,045 affordable rental homes and 473 homeownership opportunities for families in rural Oregon and communities of color. The Permanent Supportive Housing (PSH) program has created over 600 deeply affordable homes for people experiencing chronic homelessness connecting them with wrap around services. PSH is a proven model for housing the most vulnerable members of our communities. PSH is the cornerstone of CCC's mission to help those struggling with life's biggest problems to end or avoid homelessness and build healthy, housed, resilient and engaged lives. These resources will help us accomplish this by funding the construction of deeply affordable housing with integrated support services including addiction treatment, medical care, behavioral health, and employment services.

HB 5005 allocates \$450 million in Private Activity Bonds (PAB) from federal resources to Oregon Housing and Community Services. Central City Concern use PABs to leverage tax-exempt private capital through the federal 4% Low Income Housing Tax Credit program. PAB investments make the LIFT program more successful and support local housing bond investments, bringing in more federal resources for both the production of new units and the preservation of existing affordable housing stock.

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

Sincerely,

A handwritten signature in black ink that reads 'Brandon Brezic'.

Brandon Brezic
Senior Housing Development Project Manager