



Everyone deserves a place to call home.

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:

REACH Community Development 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.

REACH is dedicated to developing new affordable housing in Oregon and believes that this work is a crucial part of the solution to the homelessness crisis we are experiencing. Both LIFT and the Permanent Supportive Housing Program are essential funding sources for this work. We currently have 4 projects in our development pipeline that are dependent on LIFT and/or PSH funding to achieve a balanced development budget and proceed to construction:

- Dartmouth Crossing North – Tigard – 85 Units
- 73Foster – Mount Scott Arleta – 64 Units
- Elmonica Station – Beaverton – 81 Units
- Dartmouth Crossing South – Tigard – 86 Units

Passage of HB5005 is essential for the development of these 316 units of affordable housing.

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.

HB 5005 allocates \$450 million in Private Activity Bonds (PAB) from federal resources to Oregon Housing and Community Services. REACH uses PABs to leverage tax-exempt private capital through the federal 4% Low Income Housing Tax Credit program.



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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.

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

Sincerely,

A handwritten signature in blue ink that reads "Peter Clements".

Peter Clements
Interim Director of Housing Development
REACH Community Development