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Housing*

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Housing*

*Kristy Rodriguez,
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Authority of Malheur
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*Wakan Alferes -
Homes for Good*

*Trell Anderson – NW
Housing Alternatives*

*David Brandt -
Housing Works*

*Rita Grady – Polk
CDC*

*Maria Elena Guerra -
Farmworker Housing
Development Corp*

*Brad Ketch –
Rockwood CDC and
Community Develop-
ment Corp of Oregon*

*Nkenge Harmon
Johnson – Urban
League of Portland*

*Erica Mills –
NeighborWorks
Umpqua*

*Shannon Vilhauer –
Habitat for Humanity
of Oregon*

May 3, 2023

Senators Steiner and Sanchez
Co-Chairs, Joint Committee on Ways and Means
900 Court St NE
Salem, OR 97301

Re: Support for affordable housing and homelessness services

Co-Chairs Steiner and Sanchez and members of the committee:

Housing Oregon urges you to support bold investments in affordable housing and homelessness services at a scale that is needed reflecting the urgency and severity of Oregon’s affordable housing and homelessness crisis. In some cases, that will mean going above and beyond the investments recommended by Governor Kotek.

Housing Oregon is a membership-based statewide association of affordable housing CDCs committed to serving and supporting low-income Oregonians across the housing needs spectrum – from homeless to homeowner. Today our members joined us in a Housing Justice Lobby Day co-organized with the Oregon Housing Alliance.

Attached to this letter are our budget and policy priorities for 2023-25.

By investing in our budget priorities, Oregon will:

- Reduce unsheltered homelessness this year;
- Rehouse people experiencing homelessness in the longer-term;
- Build and preserve more housing units statewide; and,
- Increase homeownership, especially among people of color and lower-income households.

NOW is the time to invest, because housing stability can’t wait.

How can the legislature pay for these essential housing investments?

- First, pass SB 976, reforming the Mortgage Interest Deduction, which would capture \$280 million per biennium in dedicated revenue for housing and homelessness services.

P.O. Box 8427, Portland, OR 97207

- Second, Prioritize general obligation bonds to make a historic investment in housing production and preservation.
- Third, we are in a state of emergency. Access the rainy-day fund to save lives and keep Oregonians housed now.

A few additional priorities that can help support Governor Kotek's goal of producing 36,000 houses per year include:

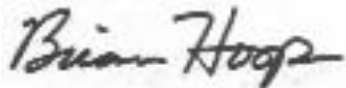
- **Recapitalizing the Market Cost Offset Fund** at \$50 million. We need to ensure the 2,000+ units currently at risk due to market volatility, primarily due to rising interest rates, are completed now and not sent back to the drawing board.

The underlying issue we need to continue dialogue with legislators beyond this session is to recognize current assumptions and public subsidy levels do not reflect the true cost of housing production. In order to avoid future need for supplemental gap financing is to increase per unit subsidies incorporated in the state's budget for affordable housing.

- **Pass SB 225, which reforms how Private Activity Bonds** are allocated. PABs are a key resource for developers of affordable housing to pair with the Local Innovation Fast Track (LIFT) Program and local bond dollars to support thousands of affordable homes statewide.
- **Support SB 976**, which would raise an additional \$280 million per biennium by reforming the **Mortgage Interest Deduction** and decisively address racial disparities in homeownership rates across Oregon. These modest reforms would only affect the state's top 7% income households and instead invest those resources in first-time homeownership and preventing homelessness.

Thank you very much for your consideration of our comments and for your service to our state. You can reach me at 503-475-6056 or brian@housingoregon.org.

Sincerely,



Brian Hoop
Executive Director
Housing Oregon



2023-2025 Budget Priorities

<p>Prevent homelessness and get people into stable housing</p> <ul style="list-style-type: none"> ● Maintain stability for 1,650 households rehoused through HB 5019: <ul style="list-style-type: none"> ○ Long-term rent assistance and landlord incentives ○ OHCS emergency response capacity ● Expand homelessness services and rent assistance: <ul style="list-style-type: none"> ○ Rehousing and long-term rent assistance for an additional 950 households ○ Emergency rent assistance for homelessness prevention ○ Homelessness prevention funds for culturally-specific orgs and community action agencies 	<p>\$57.2M \$5.9M</p> <p>\$48.9M \$100M \$35.6M (SB 918)</p>
<p>Build new affordable homes</p> <ul style="list-style-type: none"> ● LIFT bonds for rental and homeownership ● Homeownership units, including community land trusts and cooperatives ● Land acquisition for future affordable housing development ● Permanent supportive housing ● Permanent supportive housing Risk Mitigation Fund ● New manufactured housing communities ● Pre-development support for housing on nonprofit-owned property ● Market Cost Offset Fund to complete projects already in the pipeline 	<p>\$770M (HB 5005) \$100M \$10M \$130M \$4.5M \$10M (HB 2983) \$20M (HB 3482) \$50M</p>
<p>Preserve existing affordable homes</p> <ul style="list-style-type: none"> ● Preservation and rehab of expiring regulated affordable homes ● Acquisition and rehab of manufactured housing parks 	<p>\$140M (HB 5030) \$35M (HB 2983)</p>
<p>Support the housing needs of Oregon's tribal nations</p> <ul style="list-style-type: none"> ● Homeownership investments ● Homelessness prevention and response 	<p>\$4M (HB 3488) \$5M</p>
<p>Expand and preserve homeownership opportunities, including for households buying homes through land trusts and limited-equity cooperatives</p> <ul style="list-style-type: none"> ● Down payment assistance and loans ● Individual development accounts (IDAs) ● Special purpose credit program for ITIN homebuyers ● Low-interest loans for limited-equity homeownership models ● Foreclosure-prevention counseling and legal services 	<p>\$35M (HB 3488) \$35M \$30M (HB 3492) \$10M (SB 937) \$3M</p>
<p>Maintain homeless services and shelter operations</p> <ul style="list-style-type: none"> ● Maintain 700 shelter beds initially funded by HB 5019 ● Turn Key and Navigation Centers ● Local shelter operations ● Homeless Management and Information System 	<p>\$48M \$24.1M \$10.5M \$2M</p>
<p>Ensure sustainability for community-based service providers through capacity-building, living wages for staff, and language access resources</p>	<p>\$9.4M</p>
<p>Fair housing investigation, enforcement, education</p>	<p>\$5.2M (HB 3488)</p>

How can the legislature pay for these essential investments?

- Pass **SB 976**, which captures \$300M per biennium in dedicated revenue for housing and homelessness.
- Prioritize **general fund investments** that respond to the statewide housing and homelessness crisis.
- We are in a state of emergency. **Access the rainy-day fund** to save lives and keep Oregonians housed.

Oregon Housing Justice Lobby Day

Housing advocates from community based organizations across Oregon are mobilizing to push for policy, budget, and revenue priorities aimed at addressing the state's housing crisis.



Priority Bills

- **SB 611 - Rent Stabilization Bill**
 - Limits annual rent increases to 5% plus consumer price index, or 10%, whichever is lower
- **SB 976 - Reform the Mortgage Interest Deduction**
 - Abolishes the mortgage interest deduction for non-primary homes. Gradually removes deduction for primary residences with \$200k+ income and fully disallows at \$250k+. Allocates increased revenue to Oregon Housing Opportunity Account for homeownership initiatives and homelessness prevention.
- **SB 918 - Pathways to Empowerment**
 - Allocates \$35.6 million for culturally specific and culturally responsive organizations that provide homelessness and housing stability services
- **HB 3488 - Fair Housing Investigation, Enforcement, Education**
 - Invests \$5 million for staffing and operations at three entities charged with providing education, investigation and enforcement of fair housing laws statewide. Invests \$43.8 million in grants and loans for low-income homebuyers and support for culturally specific and tribal organizations.
- **Budget Request - Recapitalizing the Market Cost Offset Fund**
 - Provides supplemental funding to address gaps created by market conditions that affected material, supply, and interest rate costs resulting in increased costs for developments awarded funding
- **HB 3492 - Mortgage Availability for ITIN Home Buyers**
 - Creates a \$30 million pilot program to finance 100% of the purchase price for low-income first-time homebuyers who file taxes using an individual taxpayer identification number (ITIN) rather than a social security number.
- **SB 225 - Private Activity Bonds for Affordable Housing**
 - Ensures that private activity bonds (PAB) for affordable housing are allocated with greater statewide coordination and fewer costly delays

