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March 11, 2025

To: Senate Committee on Housing and Development

Re: Testimony in support of SB 50

Chair Pham, Vice-Chair Anderson, and members of the Committee,

Northwest Housing Alternatives (NHA) is a 40-year-old nonprofit, mission-oriented, community-based housing organization with a portfolio of 2,600 affordable homes across Oregon. On behalf of the families, seniors, veterans, and people living with disabilities who live in NHA's housing, we support SB 50 to establish a set-aside of Local Innovation and Fast Track (LIFT) funding for conversions of recently built market rate housing to affordable housing.

SB 50 leverages advantageous real-estate market conditions in the Portland Metro area by setting aside 10% of the region's current LIFT allocation for public housing authorities and nonprofit housing providers to purchase newly built market rate housing and convert it into affordable housing. These types of transactions represent a highly efficient use of public funds: recently built properties are currently selling for 30-50% less than the cost of new construction in the Portland metro area. As the costs of materials and labor continue to rise in the coming months and years, acquiring existing housing becomes an even more cost effective strategy.

Acquiring existing properties also delivers housing immediately as opposed to waiting 3-5 years for new construction or renovations to complete. Market-rate housing units convert to affordable over time as an acquired building's existing tenants either income qualify or voluntarily vacate.

SB 50 will strengthen the previously expanded use of LIFT resources by creating dedicated funding for market rate acquisitions in the Portland Metro region. A set aside will allow these transactions to compete amongst themselves through the ORCA process, instead of in comparison to the standards for LIFT new construction (which don't meet the nuances of acquisition projects).

We know there is a critical need for affordable housing in Oregon. We strongly encourage the adoption of SB 50 to facilitate more acquisitions of like-new housing, which is a cost effective and expedient way of bringing new affordable housing online.

Thank you for your dedication and thoughtful consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Lydia Slocum".

Lydia Slocum, Senior Housing Developer