



March 27, 2025

To: Joint Committee on Ways and Means Subcommittee on Transportation and Economic Development
From: BuildUp Oregon
Re: **Support SB 5011, Funding for Oregon Housing and Community Services**

Co-Chairs Woods and Gomberg and members of the committee,

For the record, my name is Rachel Langford, Early Care and Education Program Manager with Craft3. I live and work in Portland, Oregon. Craft3 is a nonprofit Community Development Financial Institution (CDFI) serving borrowers in the Pacific Northwest

Craft3 supports House Bill 5011. Oregon Housing and Community Services (OHCS) programs provide funding for affordable rental housing, homeownership, disaster recovery and resilience, and housing stabilization.

OHCS selected Craft3 and three partners (AKA BuildUp Oregon) to provide technical and financial assistance to co-locate child care with affordable housing. This program received \$10 million in the 2021-23 biennium budget to start delivering childcare facilities in the 2023-25 biennium. OHCS included this funding in its Agency Request Budget for the 2025-27 biennium but unfortunately funding was not included in the Governor's recommended budget.

BuildUp Oregon provides technical and financial assistance in the form of grants and loans to early care and education (ECE) providers and affordable housing developers looking to build or expand operations as part of affordable housing developments. Co-locating child care with affordable housing has positive benefits for children, families, and the local economy. Above all, co-located child care supports family stability. Putting child care where working families live enables caregivers to work and children to receive valuable early care and education in quality environments within their communities. The state's investments in child care go farther when paired with affordable housing because the money is leveraged to build shared spaces. Costs decrease when housing and child care are invested in simultaneously.

The state's current investment of \$10 million will help create or preserve up to 574 child care spaces across 7 counties. The average project cost is \$3 million and in many cases the projects in our pipeline are leveraging funds from other local, state, federal, and private funding, which amplifies the state's investment. These 9 projects have the potential to leverage over \$20 million in additional funding from local, state,



federal and private sources. The need exceeds available funding and BuildUp Oregon has built a pipeline of 28 projects in 10 counties.

A minimum of \$10 million through the OHCS budget bill or a direct appropriation will allow this vital work to continue through the 2025-2027 biennium.

- **Affordable housing and child care are core services that require continued investment.** The state has invested in housing and child care facilities through OHCS, child care infrastructure through Business Oregon, and families and the child care workforce through DELC. Continued funding is needed for each of these agencies to support the child care workforce, facilities, and families.
- **The state is getting a good return on its investments in co-location.** Costs decrease when housing and child care are invested in simultaneously. Bringing builders and providers together creates efficiencies. Additionally, Craft3 works with private investors to bring in additional funds, distinct from public dollars.
- This is a **priority investment in health, safety, and economic growth.** Working families in Oregon rely on OHCS programs for affordable housing. Putting child care where working families live enables caregivers to go to work and children to receive valuable early education and care in quality environments within their communities.

Thank you for the opportunity to provide input.

Rachel Langford
Early Care and Education Program Manager
Craft3 / BuildUp Oregon