



Co-Chairs Woods and Gomberg, Members of the Committee,

League of Oregon Cities and all 241 cities in Oregon stand in strong support of the investments outlined in Oregon Housing and Community Services' budget. Oregon is in a housing crisis, Oregon Housing and Community Services' budget represents the largest state investment in addressing this crisis to date.

When developing the League's priorities for 2025-2026, discussing the top issues facing our cities and residents, housing development and shelter quickly rose to the top of the list of issues that cities wanted to raise up this legislative session. We, as a state, must continue to invest across the housing spectrum, from funding to stand up and maintain shelters, to preserve our existing affordable housing stock, to build more stock of affordable rental housing, to build more homes for purchase to ensure the long-term stability of Oregon families.

The League of Oregon Cities and our members support the full breadth of housing investments in OHCS' budget as a whole but would like to highlight some key investments, investments that are vital to Oregon meeting our collective housing goals. We have split these investments into three categories representing different but vital portions of the housing spectrum.

Shelter and Rehousing:

- \$217M in General Fund to prevent the loss of 4,800 existing state funded shelter beds. This funding is the baseline, this is the funding needed to keep existing shelter beds open and not lose ground on addressing our unsheltered homelessness crisis. This investment of \$217M is large, however it needs to be viewed as the floor, not the ceiling for what funding is needed to address this crisis.
- \$188.2M in General Fund for rehousing services to rehouse 2,870 additional Oregonians. Shelter is not the long-term solution and in order for Oregon to make true progress in addressing homelessness we have to make investments in rehousing services.

Housing Development:

- \$700M Article XI-Q Bonds for the LIFT Rental program to build roughly 5,000 new affordable rental homes.
- \$80M Article XI-Q Bonds for the Permanent Supportive Housing (PSH) program to build 400 new PSH units. These units are a key part of addressing chronic homelessness, providing the resources and services for Oregonians to stay rehoused long term.
- \$100M Article XI-Q Bonds for the LIFT Homeownership program to build roughly 500 new affordable homes for purchase.
- \$16.9M in General Fund for the Homeownership Development Incubator Program (HDIP) to build 72 new homes (38% of which will be on Tribal land) and provide pre-development and capacity-building support to 17 organizations to build the pipeline of homes being developed across Oregon.

Preservation of Existing Affordable Housing:

- \$161.4M Lottery Revenue Bonds to preserve more than 1,200 affordable rental homes with existing affordability restrictions at risk of regulation expiry or loss due to physical or financial challenges.
- \$25.3M (\$25M for projects) Lottery Revenue Bonds to preserve 7-10 parks representing 140-700 affordable homes and convert them to either nonprofits or resident cooperatives.

Not included in OHCS' budget, rather in Business Oregon's and HB 3031, but vital to housing production is the \$100M investment in infrastructure related to housing production. Infrastructure funding from the federal level has been declining for decades, and under Measures 5 and 50 cities have limited funding to undertake large scale infrastructure projects. Our infrastructure, water, sewer, storm water, and transportation are aging and in dire need of investment to ensure that they can continue to serve our existing and growing communities. Some communities have available land, otherwise ideal for development, but they have development moratoriums for net new units due to infrastructure constraints, like not enough water treatment capacity. Even if there is enough capacity in wider systems, site specific infrastructure costs can play a constraining role, rendering otherwise developable land fallow.

LOC and our members know that this budget cycle there will be hard decisions and tough calls, that there are many asks out there, far beyond the amount of general fund available. LOC and our members would like highlight housing as an area of need for the state to

continue investing, it affects every portion of our communities' lives and is vital to creating a bright economic and social future for Oregon. Over the coming decades we need to build over 500,000 housing units and without continued state investment that will not occur.

Thank you for your consideration.

Alexandra Ring, Lobbyist - League of Oregon Cities