



April 17, 2025

Senator Fred Girod and Representative Rob Nosse
Co-Chairs, Joint Subcommittee on Capital Construction
900 Court St NE, Salem, OR 97301

SB 5505: General obligation bonds for affordable housing production and preservation

Dear Co-Chairs Girod and Nosse and Members of the Committee,

The Oregon Housing Alliance urges you to continue investing general obligation bond proceeds to build new affordable homes – for both rental and homeownership – and to preserve our state’s existing affordable housing.

We strongly support SB 5505’s proposed investments in:

- Local Innovation and Fast Track (LIFT) Affordable Rental Housing Program
- Local Innovation and Fast Track (LIFT) Homeownership Program
- Permanent Supportive Housing Program

In addition, we call on the Legislature to dedicate a total of \$285M in bond revenue in the 2025-2027 biennium to address the growing need to preserve existing affordable homes – including both rental housing and manufactured housing parks. Affordable housing preservation can be funded through a mix of general obligation and lottery bonds; we call on the Capital Construction Subcommittee to include at least \$100M in general obligation bonds toward this purpose through SB 5505, in addition to \$160M in lottery bonds as recommended by Governor Kotek.

The dangers of under-investing in housing preservation are clear: existing affordable housing properties are deteriorating, converting to market-rate, and dragging down the finances of housing operators due to unsustainable operating costs. Each of these outcomes places vulnerable, low-income Oregonians at severe risk of losing their homes and becoming homeless. When housing providers’ existing properties operate at a deficit due to lack of capital for refinancing and rehabilitation, those same providers will be unable to assemble the financing needed to develop new affordable housing through the LIFT program. Funding new production and preservation is not an either/or decision: failing to invest in preservation creates insurmountable threats to new production.

For both purposes – production and preservation of affordable housing – General Obligation bonds are an excellent use of state resources. Affordable housing developers access these resources through established funding systems at OHCS, and leverage those state dollars with private capital, federal tax credits and other resources in order to develop affordable housing in all parts of our state. These homes are an essential, central element of the response to Oregon’s housing and homelessness crisis. Please continue investing in what we know works to prevent homelessness and create stability for your constituents and your communities: building and preserving affordable housing.

The Legislature’s investments in affordable housing production and preservation in past budget cycles have resulted in tens of thousands of Oregon families having stable, affordable homes. The

community-level benefits of stable housing extend to the neighborhoods, cities and counties where those homes are located – while also contributing significantly to local economies across the state through job creation in the construction, operations and management of affordable housing properties as well as the local businesses supported by their residents.

HB 5505's investments in new rental housing, new homes for homeownership, and new units of Permanent Supportive Housing are desperately needed. A corresponding investment in the preservation of existing affordable housing is required both for its own sake, and to keep new affordable housing production going across the state.

Sincerely,

A handwritten signature in black ink, appearing to read "Cameron Herrington". The signature is fluid and cursive, with the first name "Cameron" written in a larger, more prominent script than the last name "Herrington".

Cameron Herrington
Oregon Housing Alliance
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