



**OREGON HOUSING *and*  
COMMUNITY SERVICES**

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April 18, 2025

Co-Chairs Girod and Nosse  
Joint Committee on Ways and Means Subcommittee on Capitol Construction  
900 Court Street NE  
Salem, OR 97301

**RE: Extraordinary Bond Investment in Affordable Housing (SB 5505)**

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

I write to urge your support for SB 5505's proposed investments to support Governor Kotek's [mission focused budget](#) and ambitious housing production goals. The programs SB 5505 funds have proven to be successful tools OHCS has used to increase development. As detailed in the Oregon Housing Needs Analysis, Oregon must add 500,000 housing units over the next two decades to begin addressing supply issues and half of those homes must be affordable. These investments pave the way to address Oregon's shortage of affordable housing.



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MacLeay Community Land Trust, 24 homes, Salem, Winter 2025

**General Obligation Bond Investments**

The Governor's Recommended Budget includes OHCS' Policy Option Package 515 and 518 which requests \$880 million in Article XI-Q General Obligation Bond funds for the development of new homes for rent or purchase. This includes the Local Innovation Fast Track (LIFT) Rental, LIFT Homeownership, and the Permanent Supportive Housing (PSH) program.





Barbur Apartments, 150 units, Portland, Fall 2026

SB 5505 directs \$800 million to the LIFT program, both rental and ownership homes. The LIFT program is a critical state resource that leverages federal and private investment to increase our state’s supply of affordable housing. To date, the LIFT program has funded over 7,618 affordable rental homes and 1,065 homes for purchase throughout Oregon, providing families in rural Oregon and communities of color with a stable and affordable place to call home. LIFT has been a catalyst in the historic affordable housing production we see today in Oregon. OHCS made it a goal to triple the existing pipeline of affordable rental housing to 25,000, as laid out in the [Oregon’s Statewide Housing Plan](#). As of July 2023, more than a year ahead of schedule [OHCS surpassed](#) that goal.



Wade Creek Apartments, 48 units, Estacada

Permanent Supportive Housing (PSH) is a proven model for housing the most vulnerable members of our communities, people who are experiencing chronic homelessness, who do not have access to stable housing by combining deeply affordable housing with wrap around services. A wide body of evidence supports the use of PSH to achieve better outcomes for individuals and families. It also reduces costs across systems such as health care, criminal justice, and emergency services. SB 5505 invests \$80 million to support the development of new PSH homes. OHCS has and is building the capacity of Oregon’s development community through the Oregon Supportive Housing Institute, meaning we’re ready to scale up investments and help get those experiencing homelessness off the streets and into a home.



Cesar Apartments, 47 PSH units, Portland

### Other Bond Investments

In addition to the Governor’s budget, SB 5505 includes Dedicated Fund Obligations, Direct Revenue Bonds, Pass Through Revenue Bonds, and Private Activity Bonds (PABs). These allocations will go to support many different programs throughout OHCS, unlocking housing opportunities for rent and opening doors to new homeowners. The Oregon Bond Residential Loan Program (which was recently re-branded to FirstHome), using Direct Revenue Bonds, has already helped over 19,400 first time homebuyers since 2000.



Canyon Edge Apartments, Redmond, 67 homes funded with PAB and other sources

PABs are a key tool to spur development of new homes, and I urge the Legislature to allocate \$450 million of these federal resources to OHCS annually. PABs are used by developers to obtain tax-exempt financing for affordable rental projects and access the federal Low Income Housing Tax Credit 4% program, bringing in tax credit equity to Oregon. PAB investments make the LIFT program more successful and support local housing bond investments, bringing in more federal resources and allowing developments to pencil out and open doors. Additionally, PABs are a vital tool in preserving Oregon’s existing affordable housing stock.

These bonds are a vital part of the tool kit at OHCS. OHCS has honed the use of these funds to create long-term stability for Oregonians through a handful of programs. I urge you and your colleagues to continue the trend of historic investment in the supply of affordable homes. With your investment this session, Oregon will be closer to meeting the Governor’s ambitious housing production goals.

Sincerely,  
Andrea Bell  
Executive Director, Oregon Housing and Community Services