

May 2, 2025

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

**RE: SB 5506 General obligation bonds for affordable housing production and preservation**

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

Cornerstone Community Housing strongly supports SB 5506'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 general obligation bonds 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 bonds and lottery bonds. We call on the Capital Construction Subcommittee to include at least \$100M in general obligation bonds toward this purpose through SB 5506, in addition to \$185M in lottery bonds as recommended by Governor Kotek.

Oregon has a looming affordable housing preservation crisis. Within the next two years, 36 affordable housing properties are at risk of foreclosure. At least 76 more are operating at a monthly deficit, draining resources and threatening the stability of housing providers, especially mission-driven nonprofit developers. Without intervention, these organizations could be pushed to the brink, putting thousands of low-income Oregonians at risk of losing their housing. This outcome is preventable. With adequate bond funding, we can stabilize these properties, protect the people who live there today, and preserve affordable housing for future generations.

When housing providers are forced to operate existing properties at a loss, they lose the financial capacity to secure funding for new affordable housing through programs like LIFT. This isn't a choice between preservation and new construction—both are essential. Neglecting preservation not only risks existing homes but also undermines our ability to build the affordable housing Oregon urgently needs.

HB 5506 rightly invests in new rental housing, homeownership opportunities, and Permanent Supportive Housing; all critical steps to address Oregon's housing crisis. However, without a parallel investment in preserving existing affordable housing, we risk losing ground as fast as we gain it. Preservation isn't just necessary to protect current residents, it's essential to sustaining the pipeline of new affordable housing across the state.

Sincerely,



Executive Director