

Submitter: Justin Cloyd

On Behalf Of:

Committee: Joint Committee On Ways and Means Subcommittee On
Capital Construction

Measure, Appointment or Topic: SB5506

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

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

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

Ink Built Architecture 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.

The dangers of under-investing in housing preservation are clear: 36 existing affordable housing properties in Oregon are facing foreclosure in the next two years. An additional 76 properties are operating at a monthly deficit, 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. With sufficient bond funding, these properties can be rescued and kept in service for current residents and future generations.

When housing providers' existing properties operate at a deficit, 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 massive threats to new production.

HB 5506'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,
Justin Cloyd, Ink Built Architecture