

Thank you Co-Chairs Nosse and Girod, I am Kathleen Swift, Sr. Vice President of Heritage Bank. I am in support of the Housing Alliance request of a \$100MM allocation of Lottery Bond funding in SB 5531 for Affordable Housing Stabilization, which together with \$185MM of General Obligation Bond funding, can save over a hundred projects headed towards foreclosure in this biennium.

Our working group identified over 30 affordable housing projects at risk of default and foreclosure in the next six months. At stake are evictions and homelessness for hundreds of apartment units, tenants. They are working families with children, seniors, veterans, and disabled persons our most vulnerable citizens across the state. These 100 projects **and loss of** another 4,400 units of affordable housing exiting their LIHTC compliance period overburdened with debt will halt commercial loan availability for new affordable housing construction and perm debt. When foreclosed, banks must evict the tenants, they can't operate affordable housing. For-profit real estate investors will come in... buy the properties for cents on the dollar, and convert it to market rate properties immediately, not bound by affordability compliance periods. We can stop the worst of this from happening by using this \$100MM plus an additional amount of GO bond funding to work with LIHTC investors and Perm Loan Lenders to keep the projects in affordable housing. While COVID, inflation, high interest rates, now declines in HUD & HHS funding have opened a Pandora's box of problems, there remains hope in the form of a targeted state response that you have the power to provide here. We can't save all of the projects at risk, but we can save many of them. We can serve as good stewards of a meaningful amount of the government's investment by funding the OHCS requested budget, and within it, this stabilization funding ask. Thank you.