

**Chair Pham, Vice Chair Anderson, and Members of the Committee,**

Thank you for the opportunity to testify on behalf HB2964 A. As we work to provide sustainable and affordable housing solutions statewide, I strongly support this bill, and Policy Package #507, pre-development in the OHCS budget.

My name is Diana Cvitanovich, a housing developer for the Polk Community Development Corporation (Polk CDC) serving non-entitlement Polk County with an office in Dallas since 1990. I also chair the Housing Oregon Rural Policy Council (RPC), working collaboratively with rural housing developers across the state to meet the healthy housing needs of citizens unable to secure affordable housing solutions.

Polk CDC is currently working to develop two projects with 96 units of affordable housing in Dallas and another 50 units in Independence. These projects require a lot of prep time. In 2024/25 we received predevelopment loans from OHCS to support these two projects ready to develop: namely, 34 units for homeless veterans and seniors and 62 units of workforce housing. As a community based non-profit housing developer we would not be able to initiate and complete these projects without the OHCS Predevelopment Loan Program even though the loan offered does not always cover the full cost of the predevelopment required to proceed with an application to available funders; however, the program is essential. Predevelopment funding is required for getting projects off ground. Before we can even apply for construction or permanent financing, we need to line up consultants, conduct feasibility assessments, prepare site control documents, and engage with the local jurisdiction and the community. For our organization with a limited balance sheet or no deep reserves, this program, timed to the due diligence needed to proceed, means the difference between developing or not developing affordable housing.

These loans are not high-risk. Most of them are repaid within four to five years and are typically rolled into permanent financing from OHCS programs, like Low Income Housing Tax Credits or the Local Innovation and Fast Track (LIFT) program, which uses Article XI-Q bond proceeds. These are proven tools with clear pathways to repayment.

We also see growing interest from our local non-entitlement jurisdictions for partnerships given their limited staffing capacity and resources available for community development. Other groups seeking to solve for needed affordable housing include faith-based groups looking to convert excess land into affordable housing. Many churches and congregations want to do this work but face a lack the resources to test feasibility and secure the professional acumen needed.

HB 2964 A fills a critical gap. It helps smaller, community-based developers build the pipeline needed to meet the Governor's housing production goals. This bill would create a path for more projects to succeed, especially in communities with available land and no capital resources.

I urge your support for HB 2964 A. Thank you for your time and commitment to ensuring all Oregonians have access to safe, stable, and affordable housing.

Sincerely,

Diana Cvitanovich, Program Developer  
Polk Community Development, Inc