



# Portland Housing Bureau

Commissioner Carmen Rubio • Interim Director Molly C. Rogers

Chair Jama, Vice-Chair Anderson, members of the committee, for the record my name is Molly Rogers, Interim Bureau Director of the Portland Housing Bureau, here today in support of Senate Bill 225.

I would like to first express the City of Portland's gratitude for the historic investments in affordable housing outlined in Governor Kotek's budget. I am also here to ask for your support for the policy proposal offered by Oregon Housing and Community Services to ensure coordination of affordable housing resources and a clear financing process for affordable housing projects in the pipeline facing cost escalations while waiting for Private Activity Bond allocations.

As you know, private activity bonds or PABs are a valuable and now competitive resource when it comes to the creation and preservation of affordable housing. PABs provide projects the ability to access the Low-Income Housing Tax Credits in order to fully pencil when they are paired with local or state sources of gap financing. Without PABs, most affordable housing projects would not be able to move forward.

Due to the statewide cap on Private Activity Bonds (PABs) and the resultant limitation on Low Income Housing Tax Credits, thousands of affordable housing units across the state may be in jeopardy of significant delay or not simply proceeding. For voter approved measures like the Portland Housing Bond and the Metro Regional Housing Bond, the voters expected the delivery of housing to needy Oregonians within certain time limits based on the availability of PABs like we had historically depended on under the previous first come, first serve approach. This scarcity of PABs means these commitments may not be met, which could erode voter appetite for future Bond measures.

At the Portland Housing Bureau, we have funded 8 projects amounting to over 770 units of new affordable housing with funding commitments that will need State-controlled LIHTCs and almost \$200 million in PABs in order to financially close in 2024 and 2025. We have seen even a couple month delay causing hundreds of thousands in increased project costs due to the COVID-19 pandemic.

As a result of these issues and risks, PHB and our partner jurisdictions are asking this committee to allocate all remaining PABs to affordable housing. We know that this is a critical resource to build and preserve affordable homes all across Oregon and have appreciated this Committee's thoughtful deliberation on how best to move forward. PHB commends OHCS for partnering with local jurisdictions like the City of Portland and providing sufficient PABs, so that we are on track to exceed both Portland and Metro bond goals for the City of Portland. This is at a time of a state-wide housing and homelessness crisis with insufficient supply of affordable housing.