

Oregon Housing and Community Services



2023-35 Agency Requests: Expanding the Supply of Affordable Housing

Our state needs more than 111,000 additional homes for people currently living in Oregon. Oregon's lack of housing supply is driving up costs for renters and homebuyers alike. The need to preserve existing affordable housing continues to escalate. Oregon has successful programs to expand the supply of affordable housing in communities across the state, and additional investments will ensure thousands of affordable homes will be available for working families, seniors and people living with disabilities as OHCS brings forward more than \$514 million to address housing supply and preservation needs.

Increasing the Stock of Affordable Rental Housing - \$266.75 million

- \$160 million to develop new affordable rental homes through the Local Innovation Fast Track Housing Program, a nationally awarded housing development program to spur development in rural and urban communities (POP 105, Article XI-Q Bond)
- \$76.75 million to develop permanent supportive homes (PSH), a proven model to end chronic homelessness and bring cost savings to other public systems (POP 104, Article XI-Q Bond)
- \$20 million to expand the co-location of early learning and affordable housing developments (POP 114, General Fund)
- \$10 million to help nonprofits and local governments acquire land for housing that will be rented or sold to low-income Oregonians (POP 111, General Fund)



Bridgeway Apartments in Klamath Falls, OR



Keystone, PSH development in Eugene

Building Homeownership Opportunities - \$65 million

- \$40 million to develop new affordable homes for purchase through the Local Innovation Fast Track Housing Program (POP 105, Article XI-Q Bond)
- \$25 million to develop new affordable homes for purchase through a flexible development program launching in early 2023 (POP 109, General Fund)
- POP 111 also supports land acquisition for homeownership developments

Preserving Existing Housing - \$183 million

- \$175 million to preserve and improve existing affordable homes, prevent rent increases in affordable housing, and preserve manufactured home parks so we don't lose affordable housing supply while developing the needed housing (POP 107, General Fund & Lottery Bonds)
- \$8 million to replace older or unsafe manufactured homes, preserving an essential part of Oregon's affordable homeownership housing stock (POP 108, General Fund)

Frequently Asked Questions

Who lives in affordable housing? OHCS funded developments affordable to people making less than the area median income (AMI), typically 60% AMI or below. Pre-school teachers, grocery store workers, social workers, retirees, veterans and more are typical residents of affordable housing. This need is especially present on the coast and in rural communities where workers travel long distances between their job and their home and are more impacted by economic factors such as rising gas prices and inflation. Affordable housing ensures members of our essential workforce can live in the communities they work in, reducing transportation costs and utilization.

How is housing supply connected to homelessness? Oregon's Housing Needs Analysis (OHNA) found the state lacks 111,000 homes for current residents, leading to increased rent and home prices. Oregon ranks fourth worst in states in terms of underproduction as a share of total housing units, better only than California, Colorado, and Utah. Incomes across the state have failed to keep pace with rising rents and housing costs. Low-income households are most impacted by lack of affordable rental housing and most at risk of experiencing homelessness. According to state economists, homelessness is mostly a result of decades of underinvestment in housing development.

Why is this impacting Oregon's economy? Employers across the state struggle to maintain a workforce due to the lack of housing. The lack of housing across the state increases homelessness in communities large and small with individuals and families also experiencing first time homelessness. This is devastating for people experiencing homelessness or significantly financially burdened by housing costs. Families burdened by rent and housing costs also have less income to pay other bills or to spend in their local communities. When people are not able to fulfill their full potential because they are stressed about meeting their basic needs, such as housing, there is a negative social and economic impact on communities.

What could developing more housing do to Oregon's economy? Housing production is critical to build Oregon's economic competitiveness, help families prosper, and improve community resilience. Simply producing the homes needed to meet current demand (both OHCS affordable housing and market rate housing) could generate up to \$40 billion in additional economic growth, a boost that would benefit us all.

Will these investments solve the housing problem? These resources will support the development of more than 2,500 homes, preserve more than 5,000 homes, help affordable housing developments in the planning phase, and expand childcare services up to 2,400 slots. The OHNA demonstrates the need to build 15,200 affordable homes in the 2023-25 biennium, these investments and ongoing investments from other resources (including tax credits, federal funds, etc) represent less than half the needed investment needed in the 2023 session. OHCS housing supply investments should be considered a floor to make progress on address the production needs outlined in the OHNA, and federal and local investments must be considered a key part of any comprehensive housing development strategy.

Want to know more about our full Agency Request Budget? Review [OHCS' 2023 DRAFT Legislative Agenda memo](#) or visit the [OHCS Government Relations website](#) for more information.