



HOUSE OF REPRESENTATIVES
SPEAKER OF THE HOUSE

January 12, 2016

Margaret Van Vliet, Director
Oregon Housing and Community Services
725 Summer Street NE, Suite B
Salem, OR 97301

Dear Director Van Vliet,

Thank you for your hard work and dedication since the end of the 2015 session to create the implementation framework for the Local Innovation and Fast Track (LIFT) Housing Program. The success of this program is important to addressing the serious affordable housing shortage Oregon faces. This month I know you will be working with your staff and with the LIFT subcommittees to refine details of the program in preparation for the upcoming session. Accordingly, I would like to share a few thoughts at this critical juncture.

We have an unprecedented housing crisis that demands new ways of doing business in order to meet the needs of Oregonians. The resources that will be available through LIFT have the potential to expedite needed affordable housing construction at a time when we cannot simply wait for projects to happen. We know it will take at least a decade to put our supply of affordable housing back on track. All these things require that the program be as efficient and cost-effective as possible. Ideally, LIFT will demonstrate success, become a significant part of the state's effort to help communities meet their affordable housing needs, and expand accordingly through additional, ongoing bonding.

Please consider the following program elements that could be critical to the success of LIFT:

- Limiting the per-unit cost in order to build the most units possible with the resources available, while maintaining quality and durability.
- Streamlining the application and development process to reduce administrative and soft costs, including not funding projects that rely on a federal tax credit component.
- Establishing a list of pre-approved developers with successful development and compliance track records who can then be deployed to get projects completed in targeted communities.
- Capping development fees at 10% to reduce overall project costs.
- Providing an exemption from standard public disclosure for land acquisition efforts in order to keep purchase costs reasonable.

Ultimately, remaining committed to creative and innovative ideas will be key to the program's long-term success. Oregon's affordable housing needs look different in different communities. LIFT should be utilized to address the unique situation in each locality.

I look forward to working with you in the upcoming session to support the LIFT Program. Thank you again for your commitment to ending Oregon's housing crisis.

Sincerely,

State Representative Tina Kotek
Speaker of the House