

February 10, 2016

Capital Construction Sub-Committee of Ways and Means

HB 5203: Dedicate Lottery-Backed Bonds for Preservation of Existing Affordable Housing

VIA EMAIL: jwmcc.exhibits@state.or.us

RE : February 12, 2016 hearing Capital Construction Subcommittee RE : HB 5203

Co-Chair Girod, Co-Chair Read, Members of the Committee:

On behalf of Northwest Real Estate Capital Corp., an Idaho 501(c)(3) that owns and operates 23 affordable housing multifamily properties in the State of Oregon, as well as other affordable multifamily properties in other nearby states, I am writing to express this charitable organization's strong support for the use of Lottery Backed Bonds to preserve affordable housing across Oregon.

Across the State of Oregon, there are thousands of Oregonians with extremely low incomes (less than \$10,000 a year) who live in homes with federal rent subsidies or in manufactured home parks, both of which housing types are at risk of conversion to market rate housing. Every home that is currently affordable, but that in future converts to market rate, puts the current household living there at risk of becoming homeless since the supply of affordable housing for the extremely low income households is diminishing.

Allocation of Lottery Backed Bonds will allow the ongoing work of many partners in communities across the state and the public-private partnership of the Oregon Housing Preservation Project (OHPP) to continue a track record of success in helping families, seniors and people with disabilities who are living on very low incomes stay in their homes and their communities.

The Meadowbrook Apartments in John Day offer an example of the importance of preservation of affordable housing. Meadowbrook I, a 24 unit family property, and Meadowbrook II, a 19 unit family property, are adjacent properties that offer project based rental subsidy for the disadvantaged in John Day. USDA Rural Development Rental Subsidy (Meadowbrook I) and HUD Rental Subsidy (Meadowbrook II) help the 43 households living in these properties meet their daily financial challenges in John Day. Grant County, especially John Day, has experienced some of the highest unemployment rates in the State of Oregon. The jobs that do exist in Grant County are typically agricultural, one of the lower paying tiers in the economic spectrum. Most of our current residents are considered extremely low-income. The current tenant mix also includes tenants with physical and/or mental impairments, as well as young families and single-mothers with very young children. These properties typically maintain full occupancy.



Preservation of this type of property is of critical importance to these residents, as is the long-term viability and habitability of the properties. As with most properties with project based rental subsidy, the two Meadowbrook properties were built in the late 1970's and, even with diligent efforts at ongoing maintenance, due to their aging conditions these properties need additional funding to care for large capital needs such as roofing and siding of the multiple building that comprise the properties.

Citizens of Oregon cannot afford to lose precious resources such as the Meadowbrook properties and many others like them who serve as affordable homes for thousands of families in Oregon. This proven public-private partnership can save these homes and leverage private and federal resources with the investment of Lottery Back Bonds.

We urge your careful consideration of, and support for continuing this investment and ensuring Oregon's most vulnerable community members across the State have a safe, stable, affordable place to call home.

Thank you,

A handwritten signature in blue ink, appearing to read 'Noel Gill', with a large, sweeping flourish extending to the right.

Noel Gill
Executive Vice President