

Oregon Housing Preservation Project

1020 SW Taylor Suite 585, Portland, OR 97205 ■ 503.501.5688 ■ PreserveOregonHousing.org

Joint Committee on Ways and Means
Subcommittee on Capital Construction

February 12, 2016

Testimony of Rob Prasch, Network for Oregon Affordable Housing

Good afternoon, Chair Read, Chair Girod and members of the Committee.

My name is Rob Prasch, I am the Preservation Director with the Network for Oregon Affordable Housing. NOAH is a non-profit lender providing financing for affordable rental housing across Oregon.

As we all know there's an affordable housing crisis in Oregon. This crisis has been building for many years. Janet Byrd and I have worked together for more than two decades to try to ensure that our housing crisis doesn't get worse, especially for very low-income Oregonians who are unable to afford market rents.

In the early 1990s the US Department of Housing and Urban Development, or HUD, launched a full-scale preservation effort to preserve housing across the country that had been built with HUD assistance. I was the Oregon HUD Preservation Program Coordinator and Janet was a tireless affordable housing advocate. We managed to move twenty six Oregon properties into non-profit ownership.

In 1996 Congress eliminated funding for HUD's preservation program and the response by owners was immediate. Over the next six years dozens of assisted projects with nearly 1,000 apartments here in Oregon were lost.

In the aftermath, Oregon Housing realized that the federal government wasn't going to solve this problem and they began to prioritize preservation of subsidized housing.

With the legislature's support, over the last 8 years the state's preservation strategies have been remarkably effective. Today we have 200 projects preserved and federal rent assistance contracts worth nearly 900 million dollars secured. But there is more to be done.

There are three categories of properties that need our attention.

First, there are still several hundred Oregon properties with rental assistance contracts at risk. Some properties are at risk of opt-out and conversion to market. Some are at risk of failure due to accumulated capital needs and rising operating costs.

Second, much of Oregon's public housing stock is older and in need of substantial renovation to remain viable for future generations. Several Oregon Public Housing Agencies are actively working on plans to preserve their portfolios.

Preserving these two types of assisted housing will keep the flow of federal rental assistance dollars coming to our state.

Third, there are 62,000 affordable homes in manufactured housing communities in Oregon. We need to help preserve these naturally affordable homes by supporting purchases of manufactured housing communities by mission-based non-profits and resident owned cooperatives.

I've submitted a document to OLIS that summarizes our current crowded pipeline of projects with planned preservation transactions. These are arms-length sales with willing buyers and sellers, stay-in owners of older projects that need to be recapitalized and aging public housing stock. If we consider only those projects most likely to proceed during the next five years, the estimated gap funding needed exceeds \$50 million.

We understand that level of public support isn't possible this year. But we ask for your attention to this issue and authorization of additional lottery backed bond funds. We need to maintain this coordinated effort to preserve Oregon's affordable housing.

I thank you for your support and for considering our request today.