



February 11, 2016

Senator Fred Girod
Representative Tobias Read
Co-Chairs, Capital Construction Sub-Committee of Ways and Means
900 Court Street NE
Salem, OR 97301

Dear Senator Devlin and Representative Read:

The shortage of affordable housing is well documented in fact it's widely recognized that Oregon currently faces a housing crisis all across the state. Healthy communities need housing options that meet the needs of residents at all stages of their lives, and at all income levels. Tent communities should not be one of those options and yet that's where we find ourselves today. In Oregon the need far outpaces the available supply of affordable rental housing in nearly every Oregon community. Today, 1 in 4 Oregon households now spend more than 50% of their income on housing costs.

For decades, public housing and privately owned rental properties with place-based federal rental assistance through HUD and Rural Development have provided safe and affordable housing opportunities for residents with very low incomes. Unfortunately, only 25% of eligible households receive this assistance.

In the midst of our housing crisis, thousands of homes with federal rental assistance contracts are currently at risk of conversion to market rate housing or loss due to extensive capital needs and rising operating costs. If these affordable homes are lost, many families with household incomes averaging less than \$10,000 a year will be displaced. But this doesn't need to happen because here in Oregon we know how to preserve these deeply affordable homes and secure the flow of federal rental assistance they bring.

Since 2007, a public-private partnership known as the Oregon Housing Preservation Project (OHPP) has helped developers preserve 8,747 affordable homes for families, seniors, and people with disabilities, most with very-low incomes. OHPP partners include Oregon Housing and Community Services, the City of Portland and the Network for Oregon Affordable Housing. Meyer Memorial Trust is one of several charitable foundations that have generously provided support for the Preservation Project. Together, the OHPP partners have leveraged the state's investments by 12:1 and have secured more than \$871 million in federal rental assistance payments over the next 20 years.

Properties preserved under the initiative can be found in 77 Oregon communities from Ontario to Astoria; from Lake Oswego to Talent. Overall the preservation initiative has generated more than \$1.6 billion in total economic activity and has created an estimated 6,614 jobs. The impact on small and rural communities is significant. In fact, 116 of the 198 preserved properties are located in cities or towns with populations under 25,000 (59%).

Since 2007, Lottery Backed Bond proceeds and General Fund dollars have filled project financing gaps and contributed to the preservation of these important properties. An allocation of Lottery Backed Bonds in the 2016 session 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 our track record of success helping families, seniors, and people with disabilities who are living on very low incomes stay in their homes and in their communities. The funds would support three strategies to preserve affordable housing across the state:

Preserve privately owned properties with federal rent assistance contracts and/or maturing mortgages.

There are hundreds of properties across the state with federal rental assistance contracts that remain at risk. Some properties are at risk of opt-out and conversion to market rate housing. Some are at risk of failure due to extensive capital needs and high operating costs – keep in mind these properties are generally 30 to 40 years old. With renovations and energy system upgrades they can be assets to our communities for the next 30 years.

Recapitalize aging public housing properties. Much of Oregon’s public housing stock is older and in need of substantial renovation to remain viable for future generations. A number of Oregon Public Housing Agencies are actively working on plans to modernize and preserve their portfolios.

Acquisitions of existing manufactured housing communities. 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. Resident or non-profit ownership stabilizes the cost of space rental, encourages investments in the community and ensures long-term affordability.

We thank you for your consideration of this request and for providing resources that help ensure our most vulnerable community members continue to have a safe, stable, affordable place to call home.

Respectfully submitted,



Rob Prasch, Preservation Director
Network for Oregon Affordable Housing

CC: Senator Devlin
Representative Hoyle
Representative Huffman
Representative Smith
House Speaker Kotek
Senator President Courtney
Senator Johnson