



House Committee on Human Services and Housing  
Oregon State Legislature  
900 Court Street NE  
Salem, OR 97301

February 5, 2018

Dear Chair Keny Guyer, Vice-Chair Olson, Vice-Chair Sanchez, and Members of the Committee:

My name is Rob Prasch and I am the Preservation Director with the Network for Oregon Affordable Housing, or NOAH. NOAH is a non-profit financial institution operating state-wide to provide financing of all types for affordable rental housing. Since 1991, NOAH has funded over \$320 million in loans for over 260 properties with more than 9,800 units, leveraging approximately \$1.3 billion in total project capital.

NOAH also facilitates the Oregon Housing Preservation Project which works collaboratively with federal, state and local housing agencies to promote the preservation of Oregon's federally assisted housing. Together, OHPP partners have helped preserve over 10,000 affordable homes across the state, safeguarding an estimated \$1.2 billion in federal rental assistance payments over the next 20 years.

Oregon can be a state where everyone has access to opportunity and a decent, stable and affordable place to call home. By investing in housing opportunities, we can create an Oregon that promises an equitable future for all of us. That's why I am writing to express NOAH's strong support of HB 4007, which will increase the document recording fee to provide additional resources to create those critical housing opportunities in communities across our state.

As you know, the current document fee is \$20, and it goes to three purposes:

- 10% goes to emergency rent assistance;
- 14% goes to help folks access homeownership – right now, it's used for down payment assistance and education and counseling; and
- 76% goes to build more affordable homes.

Within each of these accounts, 25% is set aside to serve veterans.

Since its inception the document recording fee has generated \$52 million for affordable housing which has been deployed to create or preserve 106 projects with over 4,300 rental homes. \$18 million of those funds have been used to support preservation transactions on 40 projects with more than 2,100 units of deeply subsidized rental housing.

For the past decade Oregon Housing and Community Services (OHCS) has prioritized preservation of aging properties having federal rental assistance contracts, preserving over 200 properties to date. Preservation of federally assisted properties has proven to be a worthwhile investment by the state, as those investments have leveraged well over \$2 billion in private capital resources and future rental assistance payments combined. Today there are still thousands of subsidized units at risk, including public housing projects seeking resources to recapitalize under HUD's Rental Assistance Demonstration program, HUD assisted housing with expiring contracts and Rural Development properties approaching maturity of their mortgages, or which have prepayment rights allowing them to convert to market rate housing.

There are other types of publicly supported housing that will also require additional public investment over the coming decades in order for them to remain physically and financially viable. We can preserve many of these affordable housing properties through sales to preservation-focused developers and recapitalizations, provided adequate gap financing resources are available. The increased document recording fee could provide a new resource to help OHCS fill project financing gaps on additional preservation transactions each year.

OHCS has also invested document recording fee revenue to preserve Oregon's manufactured housing communities which NOAH believes is sound public policy. Preserving manufactured housing communities through sales to mission-based nonprofit owners or conversion to resident ownership have proven to be effective strategies for preserving this unsubsidized and naturally affordable housing stock.

I urge each of you to support HB 4007 and to consider the Housing Alliance's proposed increase to \$75. If the fee is increased thousands of additional units will be produced and/or preserved, helping the state and our local communities address a growing shortage of affordable homes immediately. The increased fee will be a very minor expense on a typical real estate transaction, but it will produce significant new revenue to be used to produce affordable homes for generations of Oregonians.

I thank you for your thoughtful consideration.



Rob Prasch, Preservation Director  
Network for Oregon Affordable Housing