



April 18, 2019

Joint Ways and Means Subcommittee on Capital Construction
Attention: Co-Chair Girod and Co-Chair Holvey
and Members of the Committee

Re: Support for HB 5030

I am writing to you on behalf of Chrisman Development, Inc. (CDI) in support of HB 5030, and the Housing Alliance request for \$100 million in lottery bonds to maintain affordable housing across Oregon. Just like all community facilities, affordable rental housing needs regular investments to ensure they stay affordable and safe to live in.

Chrisman Development, Inc. is a recognized leader in the development, rehabilitation and management of affordable housing serving low income families, seniors, and the disabled. Since 1989, CDI has been developing affordable housing through the acquisition and rehabilitation of federally subsidized apartments throughout Oregon. These projects receive funding for rental assistance from the federal government (USDA Rural Development and U.S. Dept. of Housing and Urban Development), with a high percentage of households that have income at or below 50% of area median income.

Beginning in 2010, CDI has received approximately \$25 million in Housing Preservation Funds (administered by Oregon Housing and Community Services), preserving 599 units across the State. These units are located in Clackamas, Columbia, Deschutes, Douglas, Jackson, Jefferson, Josephine, Lincoln, Marion and Yamhill Counties.

Of the 599 units preserved by CDI, 533 of these units received rental assistance through USDA Rural Development. The average per unit subsidy from the Housing Preservation Funds for CDI projects is approximately \$42,000. This one-time investment has preserved the federal rental assistance for 30 more years. According to Rural Development's April 2019 report, the average USDA RD rental assistance annually per unit is approximately \$4,668. This potentially will provide approximately \$74,641,320 in federal rental assistance to the State of Oregon over the next 30 years. (\$4,668 annual rent subsidy x 533 units x 30 years). This huge federal subsidy cannot be replicated.

We currently have a pipeline of 12-15 projects (300+ units) that are in need of preservation and re-capitalization. As one of the few developers preserving USDA Rural Development properties, owners contact CDI often for transfer of ownership and preservation opportunities.

**Joint Ways and Means Committee
Capital Construction
Support Letter
April 18, 2019
Page 2**

With the current crisis of lack of affordable rental housing in most communities across the State, we need to make an extra effort to maintain, rehabilitate and extend the affordability of existing affordable housing units.

We thank you for past allocations of lottery bonds, and encourage you to support and provide the \$100 million in lottery bonds requested by the Housing Alliance. In addition, we thank you for your hard work and service to the State of Oregon.

Sincerely,

Shelly Cullin
Sr. Vice President of Development

Chrisman Development, Inc. was recently recognized as one of the top rural housing Property Developers (#11) and Property Owners (#16) in the United States in the Council for Affordable and Rural Housing's (CARH) annual "CARH 2020" list.