



OREGON HOUSING *and*
COMMUNITY SERVICES

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June 7, 2023

Senate Committee on Housing and Development
900 Court Street NE
Salem, OR 97301

RE: Information on Efforts to Preserve Publicly Funded Affordable Housing

Chair Jama, Vice Chair Anderson, and Members of the Committee,

Thank you for giving Oregon Housing and Community Services the opportunity to present on the preservation of existing affordable housing. Preservation is a top priority at OHCS as we work collectively to expand access to affordable, stable, and safe housing. During the presentation, committee members raised questions and key issues to which we wanted to provide additional information:

What happens when OHCS portfolio affordable housing restrictions expire and what is OHCS' role?

When affordable restrictions expire (usually 30-60 years) on a property, the owner can decide to convert the development to market and no longer maintain restricted rents. Expiring affordable housing units in the OHCS portfolio are automatically part of the [Publicly Supported Housing Preservation \(PuSH\)](#) regulations that allow OHCS to appoint a "Designee" to act as a qualified purchaser for a withdrawing PuSH Portfolio project. The PuSH process is a result of HB 2002 (2017) and amended by HB 2002 (2019). Owners must provide notices to local government and OHCS regarding their intent to preserve the property or not when the affordability restrictions will expire. Owners are not required to accept any of the qualified purchaser initial offers but are required to accept the first received subsequent matching offer from qualified purchasers under a right of first refusal process when the owner intends to sell to a third party. The right of first refusal period begins upon an offer made by a qualified purchaser and extends 24 months beyond the anticipated withdrawal of the property from publicly supported housing.

Oregon Housing Developments with affordability limitations due to expire.

All projects with rent restrictions (OHCS-funded, HUD, and RD) due to expire:

- In the next five years (2023-12/31/2027): 33 developments, 2,239 affordable homes
- Five-10 years out (2028-12/31/2032): 53 developments, 3,528 affordable homes
- Beyond 2032: 876 developments, 43,223 affordable homes

While it's easy to focus solely on housing units and development finances, it is critical to keep the potential impact on residents at the center of preservation efforts: If a development is lost to market rate or falls into disrepair, Oregonians may face a potential nightmare of losing stable housing they can afford. OHCS is committed to keeping preservation of affordable housing as a priority and seeks to preserve affordable housing with the available tools.

In partnership,
Michael Parkhurst
Preservation Program Manager
Oregon Housing and Community Services

