



March 2, 2023

Joint Committee On Ways and Means
Subcommittee On Transportation and Economic Development
900 Court Street NE
Salem OR 97301-4047

Subject: SB 5511 - OHCS Agency Budget Request for \$118 million for preservation

Dear Co-Chair Woods, Co-Chair Gomberg, and members of the Committee:

Chrisman Development, Inc. (CDI) urges your support of the Oregon Housing and Community Services Department Agency Request Budget - Senate Bill 5511. Each of the Policy Option Packages (POP) in the OHCS Agency Budget Request represent important opportunities to create and preserve critically needed affordable housing. I am writing to express strong support for the Department's request for \$118 million for the preservation of existing publicly supported housing (POP 107). These funds will provide gap financing resources needed for preserving expiring federally-subsidized and rent restricted rental housing, manufactured housing communities, and for recapitalizing aging affordable rental housing having significant capital needs.

Governor Kotek's proposed 2023-2025 budget also includes \$118 million in combined lottery bonds and General Fund for preservation which, over the biennium, would support dozens of preservation transactions with several thousand affordable homes.

Chrisman Development, located in Enterprise, Oregon, has been developing affordable housing since 1989, mostly in rural communities. Since 2007, CDI has preserved 56 USDA Rural Development projects, for a total of 1,985 units. These projects are located statewide, in rural communities, from Ashland to Joseph to Tillamook. Of these projects, 26 projects (1,029 units) were assisted using Housing Preservation Funds administered by Oregon Housing and Community Services (OHCS). CDI submitted two applications to OHCS' recently issued Preservation NOFA. If funded, these two applications would preserve six projects with 148 units. Three of the projects are less than 20 units and located in Gold Beach and Port Orford, critical affordable projects for these communities. These projects are targeted to exit the RD program within the next 1-2 years, which means the loss of approximately 39 units of project-based rental assistance (through Rural Development).

In addition, we have approximately 16 projects in our development pipeline, all USDA Rural Development properties, that are in need of preservation before their mortgages mature and the loss of project-based rental assistance. These 16 projects total 357 units, with 287 units of project-based rental assistance. The estimated need for Preservation resources for these projects is approximately \$26,600,000 (which is approximately \$75,000 per unit).

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Preservation of existing publicly supported affordable housing and manufactured housing communities is good public policy that provides decades of additional service to their communities. OHCS has been a responsible steward of dedicated preservation funds provided by the legislature preserving over 300 at-risk properties and manufactured housing communities since 2007.

I urge the Committee to support the OHCS \$118 million budget request for preservation funding. Thank you for your consideration.

Sincerely,



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