

# **HB 4036** **Preserve existing affordable housing**

## **1. Establishes the HOLD fund**

Housing Opportunity, Longevity and Durability

## **2. Dedicates \$100M in Article XI-Q bonds to the HOLD fund**

## **3. OHCS reports to housing committees by December 1 2026 on options for improving efficiency and cost-effectiveness of affordable housing operations – including addressing regulatory barriers that keep units vacant and jeopardize financial stability.**

### **Why should the legislature work to preserve affordable housing?**

*From OHCS presentation to the Governor's Racial Justice Council, Feb. 2025:*

- All properties require periodic major rehab / recapitalization, but affordable properties by design don't generate a surplus to fund that
- If we can't keep up with preservation, we may lose affordable housing supply even while we build new units
- Significant impact to tenants when affordability is lost
- Preservation usually costs less than new construction

## HB 4036 Preserve existing affordable housing

**OHCS requested \$350M to preserve rental housing for 2025-27**  
*\$50M allocated by the Legislature*

5-year preservation pipeline <i>Per OHCS, Jan. 2025</i>	Properties / Units	Estimated Cost	Total need
<b>Expiring federal rent assistance contracts</b>	37 / 1,112	\$100-125M	<b>\$753M+</b>
<b>Expiring affordability restrictions</b>	40 / 3,134	\$310-390M	
<b>Critical rehab needs</b>	120 / 6,500	\$200M+	
<b>Risk of foreclosure</b> <i>per Housing Oregon</i>	110 / 7,000	\$143M	

## HB 4036 Preserve existing affordable housing



- 4,200+ homes
- 77 properties
- 37 cities
- 21 counties

**OHCS requested \$25M to preserve manufactured housing for 2025-27**  
*\$2.5M allocated by the Legislature*

- Average of 64 parks listed for sale each biennium
- Parks with a total of 3,665 homes listed for sale during '21-'23 biennium
  - 7 parks with a total of 671 units were preserved as affordable housing

## **HB 4036** Preserve existing affordable housing

For the 2026 legislative session:

- \$86M available in lottery bond capacity
- **\$513M available in General Obligation bond capacity**

**Pass HB 4036 to make Article XI-Q General Obligation bonds available for affordable housing preservation.**

- **LIFT** to build new housing – estd. 2014.
- **HOLD** to preserve the housing we already have – estd. 2026?

***OHCS, DOJ, and Legislative Counsel agree... It can be done!***

## Scope of Work

- ✓ Replace siding, roof, gutters, windows, light fixtures, balcony decking and railings
- ✓ Accessibility upgrades
- ✓ New countertops, cabinet doors, bath fans, blinds
- ✓ Air condition in each unit
- ✓ Replace selective appliances, flooring, and tub/shower surrounds

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## PRESERVATION SUCCESS: WOODSPRINGS

- Washington County Housing Authority
- Early intervention with state partnership
- Long-term affordability preserved 172 units



## **PRESERVATION SUCCESS: ORCHARD PARK**

- Salem Housing Authority – 224 Units
- State partnership enabled recapitalization
- Large-scale preservation impact



# OLESON WOODS

- 32-unit family property in Tigard Oregon, including 3 and 4- bedroom apartments
- Critical life/health/safety issue - stairs deteriorating; roof, siding, and window flashing needed significant repair
- Received 1.2 MM from a pool of funds released in 2022, preserving the property for years to come





## **PRESERVATION NEED:** **COLUMBIA VIEW APARTMENTS**

- Mid-Columbia County Housing Authority
- Expiring affordability restrictions
- Limited local capacity without state support
- Rural Preservation – 12 units

# Resident-Owned Cooperatives



HOME





# Manufactured Home Community (MHC) Preservation

- 28 MHC converted to resident-owned cooperatives (ROCs) since 2009, preserving 1,920 homes.
- St. Vincent de Paul of Lane County, NeighborWorks Umpqua, Sparrow Ministries, and the Housing Authority of Jackson County have preserved another 10 MHC representing an additional 560 homes. **All told, since 2006, 2,500 households have benefitted from preservation funding.**
- Preservation of MHC meets four of six goals established by the OHCS: Equity and Racial Justice, Homelessness, Homeownership and Rural Communities.



# Benefits of the ROC Model

## Preserving MHC is Cost Effective

Over the last 5 years, CASA has preserved units in MHCs at an average per unit subsidy cost of \$60,255. This compares to \$200,000 in subsidy for new multi-family builds.

## Rents Remain Low

The average rent per unit across the ROC portfolio is approximately \$500 per space per month.

## An Excellent Investment

Since 2013, preserved manufactured home communities with cooperative ownership have NOT missed a loan payment. The average cooperative operates at a 1.27 debt coverage ratio and there is an average vacancy rate of only 2.55%.



# Demand for MH Preservation

## Resident Inquiries

Since April 2025, CASA has received inquiries from 16 MHCs (958 units), 10 of these received a financial analysis for a potential conversion. Seven formal offers (representing 346 units) were made and two offers have been accepted.

## Consequences of Limited Funding

Without grant funding, rent increases average between \$250 to \$300. This is nearly three times more than the historical increases taken on by ROCs.

The 2019 and 2021 legislatures provided \$13.2 million for short-term bridge funding for two Grants Pass MHCs totaling 213 units. These parks are at risk of default.





## Riviera Mobile Park Co-op (Grants Pass)

- Converted to a Cooperative in January 2024
- 103 homes
- 55+ Community
- Bridge Loan Totaling \$10.3 Million
- 50+ Year Old Water/Septic System in Need of Upgrades