



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.

What's at stake?

- 8,766 affordable rental homes will expire in the next 10 years
1,203 units in districts represented by Senate Housing members
- 1,029 privately-owned manufactured housing parks across Oregon
186 parks in districts represented by Senate Housing members



The most immediate risks:

- 4,200+ **rental homes** will “expire” and convert to market-rate before March 31, 2030
- ~64 **manufactured housing parks** put up for sale each biennium

Expiring rental housing

4,200+ rental homes will convert to market-rate before March 31, 2030



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

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



PRESERVATION NEED: **COLUMBIA VIEW APARTMENTS**

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

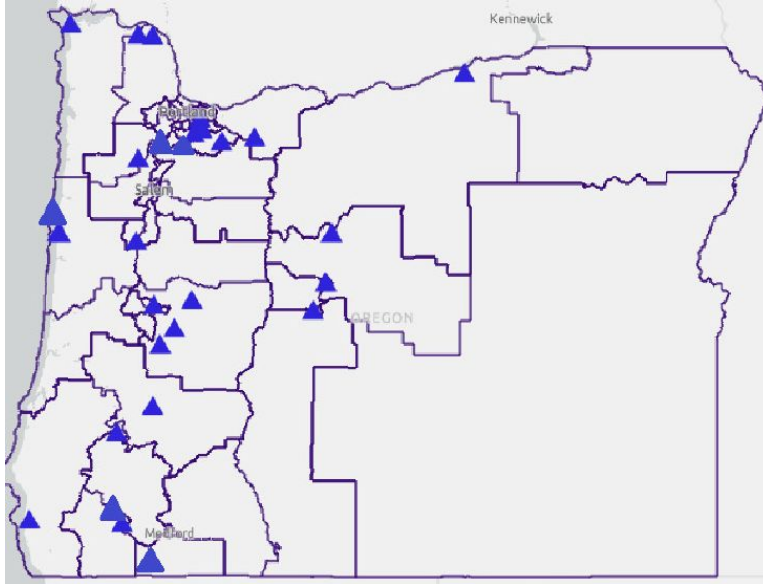
Resident-Owned Cooperatives (ROCs)



HOME



Manufactured Housing Preservation Co-ops in Oregon



- Since 2006, 28 manufactured home communities (MHCs) preserved as resident-owned cooperatives (ROCs), representing 1,920 units of affordable housing.



Manufactured Housing Preservation is a Good Investment



Harbor Village Cooperative, Newport 2022

- Since 2020, the average per unit subsidy cost was \$60,255 for ROCs. This compares to \$200,000 in subsidy for new apartment construction.
- ROCs have never missed a loan payment. Average debt service ratio in ROCs is 1.27% and average vacancy rate is 2.55%.

Demand for Manufactured Housing Preservation

- Since 2020, 16 to 39 communities a year were listed for sale, with an average of 30 communities receiving notice of the owner's intent to sell over the last five years.
- Since April 2025, CASA of Oregon has received inquiries from 18 MHCs (representing 1,199 units), 13 of these communities have been assisted in analyzing financing and working with the residents CASA has made seven formal offers (representing 346 units). Two offers has been accepted.
- As a result of limited grant funding and increasing financing costs, prospective resident groups are facing \$250 to \$300 on average (with some as high as \$600 per month) rent increases should they wish to purchase their MHC.
- The 2019 and 2021 legislatures provided \$13.2 million for short-term bridge funding. This funding is currently tied up in two Grants Pass MHCs totaling 213 units. Until permanent resources can be secured, these parks are at risk of default, jeopardizing prior state investments and limiting potential new affordable home ownership preservation opportunities.



HB 4036 XI-Q Bonds to preserve existing affordable housing

To meet these immediate needs, OHCS requested Lottery Bonds for 2025-2027:

- \$350M request to preserve rental housing
 - \$50M was allocated
- \$25M request to preserve manufactured housing parks
 - \$2.5M was allocated

Unmet need: \$322.5M

HB 4036 requests: \$100M in XI-Q Bonds to help fill the gap

HB 4036 XI-Q Bonds to preserve existing affordable housing

For the 2026 legislative session:

- \$86M available in lottery bond capacity
- \$513M available in XI-Q Bond capacity

Pass HB 4036: put Article XI-Q General Obligation bonds in play as a tool for affordable housing preservation.

HB 4036 XI-Q Bonds to preserve existing affordable housing

Does OHCS have the experience and expertise to use bond proceeds for affordable housing preservation?

YES! The state has used Lottery Bonds to successfully preserve affordable housing since 2009-2011:

- Rental housing: 130 properties
- Manufactured housing parks: 37 properties

Does OHCS know how to use XI-Q Bonds to finance housing?

YES! Through the LIFT program, OHCS has used XI-Q Bonds to finance new affordable housing since 2017-2019.

HB 4036 XI-Q Bonds to preserve existing affordable housing

Can XI-Q Bonds be used to preserve *existing* affordable housing?

YES! OHCS, DOJ, and Legislative Counsel agree:

- It can be done!
- OHCS would use the same legal/financial instruments it has used for new housing since 2017-2019, but now to finance the same kind of preservation projects it has been doing since 2009.
- **The most immediate preservation needs are the best fits:**
 - Acquiring and renovating 'expiring' affordable housing
 - Acquiring manufactured housing parks and converting to non-profit or resident co-op ownership