



February 5<sup>th</sup>, 2026

RE: Support for HB 4036

Dear Chair Marsh, Vice Chairs Anderson and Breese-Iverson, and Members of the Committee,

I am writing on behalf of Related Northwest, a Portland-based affordable housing developer, owner and operator, to urge your support for affordable housing preservation and HB 4036. Oregon's \$50 million preservation investment in 2025 was a critical start but falls short of what's required to stabilize Oregon's at-risk affordable properties.

Affordable housing in Oregon faces risks across several overlapping categories:

- **Expiring affordability:** Over the next ten years, 87 properties with nearly 3,000 units are at risk due to expiring federal project-based rental assistance. In addition, more than 100 properties with over 5,000 units face other affordability expirations, such as the end of tax credit or date affordability restrictions.
- **Serious physical capital needs:** OHCS has identified approximately 40 projects with roughly 2,300 units that have major capital needs threatening long-term viability and tenant health and safety.
- **Financial distress:** 273 properties statewide do not consistently generate enough revenue to meet basic debt obligations.

Oregon's housing crisis cannot be addressed solely through the construction of new housing. Preserving and maintaining the existing affordable housing supply is one of the most cost-effective strategies, particularly for properties at risk of losing affordability. In recent years, market dynamics – including rising interest rates, increasingly competitive public funding environments, increasing construction costs and new federal regulations – have driven the cost of new affordable developments to levels that significantly limit the number of viable projects.

Given the State's substantial public investment in the development of new affordable housing, failure to preserve existing units could result in the loss of thousands of affordable homes, undermining the very progress that the State and housing providers have worked to achieve. HB 4036 supports a balanced approach by enabling the State to preserve existing affordable housing stock while continuing to support and encourage new development.

HB 4036 will allow \$100M in Article XI-Q bonds to be used for preservation. This will apply to projects that involve acquisition or substantial rehabilitation that requires a full refinance or allows the state to retain sufficient ownership and operational control. Affordable housing preservation works – its far more cost-effective to maintain our current affordable housing stock than it is to fund and wait for new units to come online.

HB 4036 supports and strengthens that State's capacity and oversight to invest in affordable housing. By focusing resources on properties where affordability restrictions are expiring, where units need significant repair, or where homes are at risk of conversion to market-rate

housing, HB 4036 will help preserve existing units, prevent displacement of current residents, and ensure long-term housing stability for many low-income Oregonians.

Again, we urge you to support HB 4036. Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Stef Kondor".

Stef Kondor  
Executive Vice President  
Related Northwest