



OREGON HOUSING *and*
COMMUNITY SERVICES

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Sept. 21, 2022

Representative Maxine Dexter, Chair
Representative Julie Fahey, Vice-Chair
Representative Lily Morgan, Vice-Chair
House Interim Committee on Housing
900 Court Street NE
Salem, OR 97301-4048

Re: Information on Woodspring Apartments and Affordable Housing Preservation

Dear Chair Dexter, Vice-Chairs Fahey and Morgan, and Members of the Housing Interim Committee on Housing:

Thank you for recognizing and elevating the need to preserve affordable rental housing. The Oregon Housing Needs Analysis calls for Oregon to increase production of new homes across the state. At the same time, we can't afford to lose ground on existing affordable housing. The impact of losing existing affordable housing is real, as we heard from Heidi Johnstone. That is why OHCS is implementing near and long-term strategies to address this issue, and we will need the legislature support to be successful.

Supporting Woodspring Apartments Residents:

The Woodspring Apartments in Tigard were developed using Low Income Housing Tax Credit (LIHTC) resources in 1991. At the time, LIHTC resources required an affordability period of 30 years. The affordability restrictions associated with those development resources expired as of December 31, 2020. The owner chose to not preserve these homes through either accepting new affordability restrictions or by selling it to a purchaser who would preserve affordability. As such, the owner is able to convert to market-rate rent levels. Thankfully, the Legislature allocated resources to OHCS to pay for rent increases experienced by tenants. OHCS entered into a contract on Sept 12th with the Housing Authority of Washington County (HAWC) to provide direct assistance to residents. HAWC is now ready to prepare resident communications in partnership with resident organizers and OHCS.

Notice to Residents Upon Withdrawal from Affordability Restrictions:

House Bill 2095 (2021) required a notice to residents. Landlords or property owners must send tenants notice of intent to withdraw 12-14 months prior to withdrawing from publicly supportive housing. OHCS conducted rulemaking that was finalized in August to codify that notice requirement as detailed in statute, but statute does not require notice at any point from 0-12 months from withdraw.

Length of Affordability Restrictions:

Properties are subject to affordability restrictions for a period ranging from 10 to 60 years, as outlined by the development funding source. OHCS, working with the Oregon Housing Stability Council, is working to lengthen the affordability periods for our programs. In September, the Council approved a new affordability period for the 4% Low Income Housing Tax Credit (LIHTC), a key federal funds source, moving the time frame from 30 to 60 years. This will be



codified with an update to the Qualified Allocation Plan (QAP), a federally required plan that details LIHTC uses in the state, in the coming months and will apply to developments funded 2023 and beyond. OHCS is considering extending affordability periods for other programs as permitted.

Increasing Resources to Preserve Affordable Housing:

OHCS submitted our Agency Request Budget at the end of last month (read a [snapshot](#) or a detailed [memo](#)) that included \$175M to preserve affordable housing and manufactured home parks. In working with our partners, this includes a specific strategy called the “Publicly Supported Housing (PuSH) Preservation Pool” that will allow a designated entity to purchase and preserve housing like Woodspring Apartments, should the owner agree to sell. This investment also includes resources to support renovations of affordable housing. As Bill Van Vilet spoke to, affordable housing providers often operate on too slim of margins to afford needed repairs. OHCS hopes the \$175M investment is included in the Governor’s Recommended Budget and funded during the 2023 legislative session.

Oregon is in an affordable housing crisis; we need every tool available to preserve the stock of affordable housing while we build more. Thank you to this committee and to our partners at Network for Oregon Affordable Housing (NOAH) for your partnership in addressing these challenges. We look forward to continuing the conversation about expanding and preserving the affordable housing stock as we head into the 2023 Legislative Session.

Thank you for your attention to this vital issue,

Nicole Stingh
Assistant Director of Government Relations
Oregon Housing and Community Services

