



**OREGON HOUSING** *and*  
**COMMUNITY SERVICES**

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May 4, 2023

Co-Chairs Girod and Holvey  
Joint Committee on Ways and Means Subcommittee on Capitol Construction  
900 Court Street NE  
Salem, OR 97301

**RE: Extraordinary Bond Investment in Affordable Housing Preservation (HB 5030)**

Dear Co-Chairs Girod and Holvey, Members of the Committee:

I write to urge your support for HB 5030's proposed investment to preserve affordable housing across the state. Preserving existing affordable housing is a top priority at OHCS and is a vital component of the [OHCS 2023 Legislative Agenda](#). In the next 10 years, more than 7,000 affordable homes that receive OHCS funding are at risk of losing affordability due to expiration of affordability restrictions. HB 5030 provides **\$100 million for the preservation of 700-1,000 affordable homes**. While the scale of investments will help preserve long-term housing stability for thousands of Oregonians, the need far outstrips available resources; the agency and partners will have difficult decisions ahead on prioritizing limited resources for preservation.



Pioneer Park, 20 homes, Veneta,

**Why is this needed?**

Publicly subsidized housing comes with an "expiration date," a point in time when the rent limits that keep the property affordable expire and properties could raise rents to market rate following Oregon's rent stabilization laws. Beyond the expiration of affordability restrictions, even the best-maintained buildings will need major upgrades and replacements periodically that can require more resources than the margin of operating affordable housing allows for.

**What does affordable housing preservation mean?**

There are different ways and funding programs that OHCS assists developers with to preserve affordable housing. OHCS' preservation efforts generally focus on periodically investing in, with preservation resources, the physical condition and financial sustainability of existing affordable projects as they age in return for extending the rent restrictions attached to the development.



This requires a mix of federal and state resources and is aided by Lottery Bond investments from the state to stretch constrained resources farther.



Chaucer Court, 84 homes, Portland, OR

OHCS has four primary ways of supporting the preservation of Oregon’s existing affordable housing.

1. Financing the acquisition of publicly supported housing with expiring affordability (example: [Woodspring Apartments in Tigard](#));
2. Providing resources to address life, health, and safety concerns for affordable housing developments;
3. Providing resources to intervene when properties are at risk of financial insecurity; and
4. Acquiring and rehabbing manufactured home parks that will be owned by nonprofits and cooperative ownership (co-ops).

In addition, because of the need for extended affordability periods, most forms of OHCS funding now come with 60 years of affordability rather than the previous standard of 30 years. I will again emphasize that preservation resources of any kind come with strings; OHCS funds require an extension of the initial affordability period to ensure that public investments result in more stable housing.



Nyssa Court, 7 homes, Nyssa, OR



Oak Leaf Mobile Home Park, 22 homes, Portland, OR

While it’s easy to focus solely on housing units and housing preservation finances, it is critical to keep the potential impact on Oregonians at the center of preservation efforts: If a development is lost to market rate or falls into disrepair, Oregonians may face a potential nightmare of losing

stable housing at rents they can afford. OHCS is committed to keeping preservation of affordable housing as a priority and seeks to preserve affordable housing with the available tools. We urge your support for the \$100 million of affordable housing preservation resources included in HB 5030.

Sincerely,  
Caleb Yant  
Deputy Director  
Oregon Housing and Community Services

