

May 5, 2023

Ways and Means Subcommittee on Capital Construction
900 Court Street NE
Salem, OR 97301

RE: Support for \$100 Million for Preservation of Publicly Supported Housing

Co-Chairs Girod and Holvey, Members of the Subcommittee,

Metro supports HB 5030's proposed investment to preserve affordable housing across the state, Governor Kotek's budget request of \$100 million in lottery bonds for the preservation of publicly supported housing.

In recent years, Metro partnered with stakeholders to ask voters to support housing for our region's vulnerable community members. Historically, local systems of homeless services and affordable housing have been deeply underfunded compared to the funding that is needed. In 2018, Metro voters approved an affordable housing bond that will have generated over \$650 million with the goal of creating homes for approximately 12,000 people through the creation of 3,900 affordable homes. In May 2020, voters in greater Portland approved a Supportive Housing Services measure to fund services for people experiencing or at risk of homelessness. In the last couple of years since Metro's voters brought us into the affordable housing and supportive housing space, we know that this housing and homelessness crisis will continue to be exacerbated if we cannot stabilize folks in their current homes and stop the inflow of folks into homelessness. This is why we need HB 5030.

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. HB 5030 provides \$100 million for the preservation of 700-1000 affordable homes.

Oregon needs to maintain our existing affordable rental housing stock. The need for preservation resources grows each year as Oregon's portfolio of Publicly Supported Housing ages. Over the next 10 years, use restrictions will end on 163 affordable housing properties, with over 7,700 rental homes, most of which are in the Portland Metro region. We need to do all we can to preserve these community assets. Publicly supported housing can be preserved at these at-risk properties through sales to preservation-focused developers and project recapitalizations, provided adequate gap financing resources are available.

Sincerely,

Jenna Jones
State and Regional Affairs Advisor
Metro