



February 12, 2024

Senator Kayse Jama
Chair, Senate Committee on Housing and Development
900 Court St NE, S-409
Salem, OR 97301

Re: Senate Bill 1530

Dear Chair Jama, Vice-Chair Anderson, and Members of the Committee:

The Network for Oregon Affordable Housing (NOAH) is a statewide non-profit community development financial institution that finances affordable housing. NOAH finances affordable multifamily rental properties in communities across the state and works closely with Oregon Housing and Community Services Department (OHCS), and affordable housing developers, to create and preserve affordable housing in Oregon. Since 2007, NOAH has facilitated the Oregon Housing Preservation Project (OHPP) which together with partners, has preserved over 20,000 units of publicly supported housing and 37 manufactured home parks owned by resident cooperatives and mission focused nonprofits.

NOAH supports SB 1530, including the -3 amendment, which makes significant investments in housing and homelessness prevention. This funding compliments Governor Kotek's bold housing bill, SB 1537, and its many provisions.

There are however, three critical investments missing from SB 1530 and SB 1537 that are priorities of the Oregon Housing Alliance and its member organizations:

***\$15 million to build affordable homes for first-time homebuyers
\$10 million to fully fund the Individual Development Account (IDA) program, and
\$30 million to preserve existing affordable housing***

As NOAH's Preservation Director and facilitator of the OHPP, I am writing to urge the Committee to consider an amendment to SB 1530 to add a \$30 million investment for preservation in 2024.

Preservation is good, public policy. Preserving existing homes costs around 50%-60% of the cost to build new units. As we strive to build our way out of our deep and troubling housing shortage, we should do all we can to maintain Oregon's existing affordable rental housing stock. As with all critical infrastructure, this requires periodic reinvestment to maintain safe, stable, and affordable homes over the long term.

Affordable rental properties with thousands of units are at risk of loss due to subsidy contract expirations, conversion to market rate housing or because of significant physical needs

resulting from their age which threaten the viability of their continued operation. We can preserve these at-risk properties through sales to preservation-focused developers and project recapitalizations, provided adequate gap financing resources are available. And, with adequate public funding, more manufactured home parks can be acquired and permanently preserved, offering peace of mind and affordable homeownership opportunities for their residents.

The need for preservation resources continues to increase as Oregon's portfolio of Publicly Supported Housing grows and ages. OHCS recently estimated \$200 million per biennium is needed if they are to be good stewards of our existing affordable housing. OHCS included \$175 million for preservation in their initial Agency Request Budget for the 2023-25 biennium. The Legislature allocated \$50 million - \$125 million less than the estimated need.

\$30 million to preserve existing affordable housing in 2024

The demand for public resources is great as the affordable housing portfolio ages and use restrictions end on properties across the state. Recent OHCS competitive funding rounds for preservation resources have been significantly oversubscribed leaving unsuccessful projects in need of tens of millions in public financing resources.

While far short of the need, a \$30 million investment in 2024 will support the preservation of some 400 affordable rental homes.

Residents of for-sale manufactured home parks continue to form cooperatives and present purchase offers to sellers with the hope of preserving their homes. Unfortunately, OHCS doesn't have the resources to support those transactions, so these residents will continue to live with the fear of displacement should their community sell to an investor planning to raise lot rents to maximize the return on their investment.

We need to preserve these at-risk community assets. With the recent increased revenue forecast Oregon can afford to invest in preservation. Can we afford not to?

I hope the committee will consider an additional amendment to SB 1530 to include \$30 million for preservation, as well as the other two Housing Alliance priorities, \$10 million for IDAs and \$15 million for first-time homebuyers.

Thank you for your consideration and for your service to Oregon.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Rob Prash', with a long horizontal flourish extending to the right.

Rob Prash, Preservation Director
Network for Oregon Affordable Housing