

February 16, 2024

Senator Fred Girod, Co-Chair
Representative Paul Holvey, Co-Chair
Joint Committee on Ways and Means, Subcommittee on Capital Construction
900 Court Street NE
Salem, OR 97301

Re: Affordable housing preservation in HB 5201

Dear Co-Chair Girod, Co-Chair Holvey and Members of the Subcommittee:

The Polk Community Development Corporation is asking that you allocate lottery-backed bond revenue to preserve Oregon's existing affordable housing. Nearly 5,000 units of regulated affordable housing will lose their affordability restrictions in the next 5 years alone, placing nearly 5,000 low-income households statewide at risk of losing housing. We need to secure the affordability of these properties or risk adding additional challenges within our communities where homelessness and safety are at crisis levels.

Even more urgently, 1,400 units of affordable housing at 24 properties are waiting for preservation funding after their applications to OHCS were unsuccessful in 2022 due to lack of sufficient funds. The affordability restrictions will expire for 923 homes at these properties between now and the end of 2025.

Housing preservation resources are also used to protect the residents of manufactured housing parks. An average of 32 parks are put up for sale every year, threatening the housing of nearly 1,800 low-income households annually. During the 2021-23 biennium, 69 manufactured housing parks with 3,665 homes were put up for sale. Due to scarce funding, only seven of those parks were preserved as affordable housing.

In all, OHCS estimates the cost of preserving existing affordable housing at \$200 million per biennium, yet in 2023, the Legislature allocated only \$50 million. While far short of the need, **an investment of \$30 million in 2024 will support the long-term preservation of some 400 affordable homes** – which means protecting the long-term stability and well-being of 400 low-income households.

At an average cost of \$72,000 per unit, preservation is a cost-effective and morally urgent investment that prevents the displacement of low-income Oregonians – while also securing affordable homes for future residents. Please take this opportunity to make significant progress in addressing this crisis with a \$30 million investment in 2024.

Sincerely,

Polk Community Development Corporation

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