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*Rita Grady – Polk
CDC*

*Maria Elena Guerra -
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Development Corp*

*Nkenge Harmon
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*Erica Mills –
NeighborWorks
Umpqua*

*Hai Nguyen – East
County Housing (CDC
of Oregon)*

*Sheila Stiley – NW
Coastal Housing*

March 26, 2025

Chair Pham, Vice-Chair Anderson, and Members of the Senate Committee on Housing and Development:

Re: Strong Support for SB 51 with -1 and -2 Amendments

My name is Kevin Cronin, Director of Policy and Advocacy at Housing Oregon, a statewide coalition representing over 125 mission-based affordable housing organizations, affordable homeownership developers, homeless service providers, and their support networks, including banks, architects, and contractors. I am writing in strong support of **SB 51** and the **-1 and -2 amendments**, which address Oregon's urgent affordable housing preservation needs.

Preservation was identified by our members as a **top legislative priority**, ranking equally with funding for new development. We applaud Chair Pham, Chair Marsh, and partners like the Oregon Housing Alliance, Housing Authorities of Oregon, and countless advocates. This bill builds on the incredible work of preservation pioneers like Rob Prasch, and will set us up long term for success.

-1 Amendment: Establishing a Preservation Program

The -1 amendment creates a standing **Affordable Housing Preservation Program** at OHCS, ensuring consistent tracking and funding requests to protect Oregon's existing housing stock. While programs like LIFT have spurred new development, preservation investments have lagged, putting **3,800 homes across 65 properties** at risk of losing affordability restrictions in the next five years. Without action, these units will convert to market rate, displacing vulnerable residents.

We urge the Legislature to pair SB 51 with at least \$285 million in bond funds for the 2025-2027 biennium to stabilize these homes and prevent homelessness.

-2 Amendment: Addressing Operational Crises

The -2 amendment tackles the **unprecedented financial and operational challenges** threatening affordable housing viability:

- **Soaring costs:** Insurance rates have spiked by 100–500%, while inflation and climate-related damages (e.g., January 2024’s \$75M ice storm claims) strain budgets.
- **Staffing shortages:** High turnover and under-resourced property managers, who are now de facto social workers, are struggling with complex reporting requirements and are serving tenants with high acuity needs.
- **Lack of Liquidity:** Nonprofits face lender demands for \$4 - 15M cash reserves to close on new development deals, due to considering 1-2 troubled properties in updated underwriting criteria, creating an impossible hurdle for mission-driven organizations.

The amendment directs OHCS to contract with the **Housing Development Center** to:

- Provide **training and grants** to improve occupancy rates, reduce turnover, and expand culturally responsive services.
- Strengthen **asset management** to ensure long-term sustainability.

SB 51 is a **cost-effective, proactive solution** to preserve Oregon’s affordable housing infrastructure. We will never build all the affordable housing we need if we lose what we currently have. We urge your support for the bill and its amendments. Thank you to our members and this committee for your support.

Sincerely,

Kevin Cronin

Director of Policy & Advocacy

Housing Oregon