



**Ways and Means
Transportation and Economic Development Subcommittee**

HB 5011--Support

March 27, 2025

Bill Van Vliet, Executive Director
Network for Oregon Affordable Housing (NOAH)

Co-Chairs Sen. Woods and Rep. Gomberg, and members of the committee:

My name is Bill Van Vliet, Executive Director of NOAH, the Network for Oregon Affordable Housing. Formed in 1990, NOAH is a nonprofit lender that administers over \$420 million across a wide range of loan programs for affordable housing projects throughout the state.

I'm here in support of HB 5011 and will focus my comments on housing preservation, including additional resources not in the Governor's recommended budget.

For 15 years, NOAH convened the Oregon Housing Preservation Project, a public/private/philanthropic partnership to preserve affordable housing in Oregon. The project, with steady legislative investments, led to the preservation of over 20,000 affordable homes throughout the state, and that work continues today under the strong leadership of OHCS.

Over the years, NOAH came to understand that preservation is work that never ends, because every new project becomes tomorrow's preservation project.

The need for preservation resources and tools this session is large and is caused by a combination of properties with expiring affordability restrictions and those projects facing severe operating challenges or physical distress.

Rapidly increasing expenses, such as insurance and utilities, have put many apartment communities at risk. In NOAH's portfolio, during the past five years operating expenses at those properties have grown twice as fast as revenues. That's unsustainable.

Other funders report similar experiences, and it's not just limited to Oregon. This significant shift in the business environment has happened nationwide and preserving these homes will require additional investment.

While some of the capital to preserve and stabilize affordable housing projects will flow through other subcommittees, funding contained in bills such as SB 51 will provide other equally important resources. Some relatively small investments, such as those in SB 51, will boost the industry's asset management and property management capabilities, key functions that will produce long term stability for properties and protect state investments.

Preservation funding is both essential and cost effective. It costs less to preserve an existing home than to replace it. Those investments need to be directly in the property and in strengthening the system for long term sustainability.

We can't make progress on the affordable housing shortage if we're losing affordable homes. Solving the housing crisis requires a "both/and" solution, preserve what we have while continuing to invest heavily in new housing production.

I urge your support for HB 5011 and additional resources for preservation.

Thank you.