



**OREGON HOUSING *and*
COMMUNITY SERVICES**

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May 9, 2025

Co-Chairs Girod and Nosse
Joint Committee on Ways and Means Subcommittee on Capitol Construction
900 Court Street NE
Salem, OR 97301

RE: Extraordinary Bond Investment in Affordable Housing Preservation (SB 5531)

Co-Chairs Girod and Nosse, Members of the Committee,

I write to urge your support for SB 5531's proposed investment to preserve affordable housing across the state. Preserving existing affordable housing is a top priority at OHCS and is vital to supporting Governor Kotek's [mission-focused budget](#) and ambitious housing production goals. According to the [OHCS Preservation Dashboard](#), more than 9,300 affordable homes are at risk of losing affordability due to the expiration of affordability restrictions within the next 10 years. SB 5531 provides **\$160 million to preserve 1,200-1,400 affordable homes and \$25 million to preserve 7-10 manufactured housing parks representing 140-700 affordable homes**. While these investments will help protect long-term housing stability for thousands of Oregonians, the need far outstrips available resources, and the agency and partners will have difficult decisions ahead on prioritizing limited resources for preservation.

Why is this needed?

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 significant upgrades and replacements periodically that can require more resources than the margin of operating affordable housing allows.

What does affordable housing preservation mean?

There are different ways and funding programs that OHCS assists developers with to preserve affordable housing. OHCS' preservation efforts generally focus on periodically investing in preservation resources, the physical condition, and financial sustainability of existing affordable projects as they age in return for



Ya-Po-Ah Terrace, 22 units, Eugene, OR



extending the rent restrictions attached to the development. This effort requires a mix of federal and state resources and is aided by Lottery Bond investments from the state to stretch constrained resources farther.

OHCS has four primary ways of supporting the preservation of Oregon’s existing affordable housing.

1. Financing the acquisition of publicly supported housing with expiring affordability
2. Providing resources to address life, health, and safety concerns for affordable housing developments
3. Providing resources to intervene when properties are at risk of financial insecurity
4. Acquiring and rehabbing manufactured home parks that will be owned by nonprofits and cooperative ownership (co-ops)



Rimrock Court, Madras, OR



The Clifford, 88 units, Portland, OR

In addition, because of the need for extended affordability periods, most forms of OHCS funding now come with 60 years of affordability rather than the previous standard of 30 years. OHCS funds require an extension of the initial affordability period to ensure that public investments result in more stable housing.

While it’s easy to focus solely on housing units and housing preservation finances, it is critical to keep the potential impact on Oregonians at the center of preservation efforts: If a development is lost to market rate or falls into disrepair, Oregonians may face a potential nightmare of losing stable housing at rents they can afford. OHCS is committed to preserving affordable housing as a priority and seeks to preserve affordable housing with the available tools. We urge your support for the \$185 million of affordable housing preservation resources included in SB 5531.

In partnership,

Director Andrea Bell
Oregon Housing and Community Services

