

Submitter: Darcy Phillips  
On Behalf Of: Cornerstone Community Housing  
Committee: Joint Committee On Ways and Means Subcommittee On  
Capital Construction  
Measure, Appointment or Topic: SB5702

Dear Co-Chair Girod, Co-Chair Nosse, and Members of the Committee,

On behalf of Cornerstone Community Housing, I urge you to allocate \$100M in General Obligation Bonds for affordable housing preservation in Senate Bill 5702. Through the Housing Opportunity, Longevity and Durability fund (HOLD), these resources will prevent the loss of existing affordable homes and preserve them for future generations of Oregonians.

More than 15,000 affordable homes are at risk of being lost over the next decade due to expiring affordability restrictions, critical repair needs, and the sale or closure of manufactured housing parks. Of most immediate concern are approximately 4,400 households living in homes scheduled to convert to market rate before March 31, 2030. These properties span 37 cities across 21 Oregon counties, underscoring the statewide scope and urgency of this issue.

Providers like Cornerstone are also stewarding an aging portfolio that requires significant reinvestment. Many properties developed decades ago now need upgrades to building systems, accessibility improvements, energy efficiency measures, and structural repairs. At the same time, operating costs including insurance, utilities, maintenance, and staffing continue to rise faster than revenue. Rent levels must remain affordable for residents, but they do not generate sufficient funding to address major capital needs. Without dedicated preservation resources, critical improvements will be delayed, and affordable homes will become increasingly vulnerable.

The Legislature has long supported preservation through Lottery Bonds, but this tool alone cannot meet the scale of need. In 2025, \$52.5M in Lottery Bonds was allocated for housing preservation, far short of the \$375M identified by OHCS in its Agency Request Budget. This 86 percent funding gap places thousands of homes at imminent risk.

To close this gap, the Legislature must authorize General Obligation Bonds as an additional preservation tool. The House Housing Committee unanimously passed HB 4036 to allow OHCS to use General Obligation Bonds through the HOLD fund and calls for a \$100M allocation to preserve affordable rental homes and manufactured housing parks. Making General Obligation Bonds available for preservation will protect prior public investment, stabilize communities, and keep thousands of Oregonians housed.

In Springfield and Eugene, Cornerstone owns and operates affordable communities that serve families, seniors, and individuals who are essential to our local economy and neighborhoods. Preserving these homes is not simply about maintaining buildings. It is about protecting stability, safeguarding decades of public investment, and ensuring affordable housing remains available where people work, learn, and age.

Preservation is one of the most cost-effective housing strategies available. Once an affordable home is lost, it is far more expensive to replace than to maintain. I respectfully urge you to include \$100M for the HOLD fund in SB 5702 and provide this critical tool to preserve Oregon's affordable housing for generations to come.

Sincerely,  
Darcy Phillips  
CEO Cornerstone Community Housing