



May 6, 2021

Joint Committee On Ways and Means
Subcommittee On Capital Construction
900 Court Street NE
Salem OR 97301-4047

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

Subject: SB 5534 - Request for \$100 million for preservation of publicly supported housing

The Network for Oregon Affordable Housing (NOAH) is a statewide non-profit community development financial institution that finances affordable housing projects in Oregon. We finance affordable multifamily rental properties across the state and work closely with OHCS and affordable housing developers to create and preserve affordable housing in Oregon. Since 2007 we have facilitated the Oregon Housing Preservation Project, a collaborative effort seeking to preserve Oregon's privately owned federally subsidized properties and public housing projects that are at risk of loss.

As you well know, in response to Oregon's unprecedented affordable housing emergency, the Legislature has dedicated hundreds of millions of dollars in new resources to create much needed affordable housing in communities across the state. These historic investments are creating thousands of new affordable homes each year, but we know it will take many years of sustained investments to build enough new affordable rental homes to address our current shortage. In the meantime, we must do all we can to preserve Oregon's existing publicly supported housing and safeguard the state and federal investments made to create these valuable community resources.

Today, much of our place-based publicly supported housing is at risk due to the threat of conversion to market rate rentals, expiration of federal subsidy contracts and/or use restrictions, or failure due to accumulated capital needs.

Each year federal rental assistance programs through HUD and USDA Rural Development provide affordable homes to tens of thousands of Oregonians with extremely low incomes including thousands of households headed by seniors and people with disabilities. 22,000 Oregon households rely on these programs to provide safe, decent rental homes.

Since the Low Income Housing Tax Credit (LIHTC) program was created in 1986, Oregon has funded over 650 properties with over 46,000 rental homes affordable to households having lower

incomes. Many of these properties are showing wear and tear after nearly 30 years of service and need to be recapitalized to remain viable. Dozens of these properties have urgent capital needs which will only grow with the passing of time. Over the next 8 years LIHTC properties with 4,090 units will mature and without adequate public resources to preserve them, many will convert to market rate housing.

Oregon's manufactured housing communities provide naturally affordable rental housing and homeownership opportunities for thousands. Statewide, there are approximately 1,100 manufactured housing parks with 62,500 spaces representing a significant portion of the affordable housing stock available to low and fixed-income Oregonians. In Oregon's investor driven real estate market, manufactured housing community sales and closures are on the rise. Preserving manufactured housing communities through sales to mission-based nonprofit owners or conversion to resident ownership are effective strategies for preserving critical affordable housing stock.

With strategic investments and sound public policy we can retain our publicly supported housing for future generations. Since 2007 Oregon has prioritized preserving our existing affordable housing with great results. Under Oregon Housing's leadership, and with the financial support provided by this Committee, 325 properties with over 15,000 rental homes have been preserved, including 28 manufactured housing communities. More than a third of the preserved properties are located in small towns with populations under 10,000.

The state's investments in preserving these properties has leveraged an estimated \$1.5 billion dollars in private capital and secured \$1.6 billion in long-term federal rental assistance contracts. Lottery bond funds are a critical resource that provide grant funds which support 4% bond preservation transactions and acquisitions of manufactured housing communities by resident cooperatives and mission focused nonprofits.

OHCS has been a responsible steward of the dedicated preservation funds allocated by the Oregon legislature. For example, OHCS preserved 21 properties with 840 total units with the \$25 million in lottery bond funds allocated by this Committee during the 2017 session. Because the lottery bond funds were available, these preservation transactions were able to proceed without the need to compete for OHCS resources which primarily fund desperately needed new construction projects.

In 2019 the Committee allocated \$25 million to support preservation transactions. Those funds were to be deployed in the spring of 2021 however, the bond sale was canceled due to declining lottery sales brought on by the pandemic.

In 2020, the Committee approved an additional \$10 million to support preservation, but the session abruptly ended in March. With the unforeseen loss of \$35 million in lottery bond funds, the pipeline of preservation projects has continued to grow. Today we have identified over 160 projects across the state with planned preservation transactions having gap financing needs exceeding \$450 million dollars. (See attached Preservation Project Pipeline Report May 2021)

Oregon knows how to get preservation transactions done efficiently and cost effectively. We estimate \$100 million dollars in lottery bond funds, will help preserve as many as 2,000 units of critically needed rental housing and manufactured housing communities.

Preservation is good public policy. I urge the Committee to carefully consider the Housing Alliance request for \$100 million dollars for preservation of Oregon's publicly supported housing and manufactured housing communities.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "R.Prasch".

Rob Prasch, Preservation Director
Network for Oregon Affordable Housing

Attachment: Preservation Project Pipeline Report May 2021

Preservation Project Pipeline Report May 2021

County	Senate District	House District	Total Units	Rent Assisted Units	Subsidy Type	Tenant Population	Est. Gap Funds Needed *	Est. Gap Funds/Unit	Subsidy Value Preserved
<u>Project-Based Rental Assistance</u>									
Jackson	1	1	30	9	RD	Family	1,980,000	66,000	1,674,594
Curry	1	1	16	15	RD	Elderly	1,035,072	64,692	2,790,990
Curry	1	1	20	15	RD	Elderly	1,293,840	64,692	2,790,990
Curry	1	1	12	11	RD-HUD	Family	776,304	64,692	1,824,240
Curry	1	1	10	7	RD	Family	646,920	64,692	1,302,462
Curry	1	1	20	16	RD	Elderly/Disabled	1,293,840	64,692	2,977,056
Curry	1	1	14	12	RD	Elderly/Disabled	905,688	64,692	2,232,792
Curry	1	1	14	11	RD	Family	905,688	64,692	2,046,726
Douglas	1	2	28	25	RD	Elderly/Disabled	1,848,000	66,000	4,651,650
Josephine	2	3	58	37	RD	Elderly	3,828,000	66,000	6,884,442
Josephine	2	3	16	16	RD	Elderly	1,056,000	66,000	2,977,056
Josephine	2	3	20	20	RD	Family	1,293,840	64,692	3,721,320
Jackson	2	4	8	8	Section 8	Elderly/Disabled	528,000	66,000	1,326,720
Lane	4	7	40	26	RD	Elderly	2,640,000	66,000	4,837,716
Lane	4	8	150	150	HUD 202/8	Elderly/Disabled	12,133,200	80,888	24,876,000
Lincoln	5	10	40	14	RD	Elderly/Disabled	2,604,960	65,124	2,604,924
Lincoln	5	10	34	33	RD	Elderly	2,244,000	66,000	6,140,178
Lane	6	12	17	17	HUD Section 8	Elderly/Disabled	1,122,000	66,000	2,819,280
Lane	7	13	51	51	HUD Section 8	Elderly	3,366,000	66,000	8,457,840
Lane	7	14	20	19	RD	Elderly	1,293,840	64,692	3,535,254
Linn	7	17	20	19	RD	Elderly	1,293,840	64,692	3,535,254
Marion	7	17	52	44	RD 514-16	Family	2,904,000	66,000	7,312,800
Clackamas	9	18	24	4	RD 514-16	Family	1,844,875	76,870	664,800
Marion	10	19	56	11	LIHPRAH w/Sect 8	Family	4,866,400	86,900	1,824,240
Marion	11	21	65	64	Sect 8	Family	4,290,000	66,000	10,613,760
Marion	11	22	47	47	HUD Section 8	Family	3,102,000	66,000	7,794,480
Marion	13	25	10	10	HUD Section 8	Elderly/Disabled	660,000	66,000	1,658,400
Clackamas	13	26	52	15	HUD 811 PRAC	Senior/Disabled	6,456,736	124,168	2,073,600
Washington	13	26	49	31	RD	Family	4,183,865	85,385	5,768,046
Washington	15	29	24	12	RD	Family	2,049,240	85,385	2,232,792
Washington	15	29	49	25	RD	Family	4,183,865	85,385	4,651,650
Washington	15	29	12	3	RD	Farm Labor/Family	1,024,620	85,385	558,198
Washington	15	29	50	0	LIHTC	Farm Labor/Family	4,269,250	85,385	
Washington	16	31	22	20	RD	Farm Labor/Family	1,878,470	85,385	3,721,320
Clatsop	16	31	32	32	RD 515/8	Elderly/Disabled	2,112,000	66,000	5,306,880
Tillamook	16	32	34	23	RD	Elderly	2,199,528	64,692	4,279,518
Tillamook	16	32	32	31	RD (10 new RA units)	Family	4,650,016	145,313	5,152,200
Multnomah	18	36	90	90	Sect 8	Senior/Disabled	7,047,900	78,310	14,925,600
Multnomah	18	36	82	75	HUD Mod Rehab	Elderly/Disabled	5,412,000	85,000	8,568,000
Clackamas	20	40	19	18	HUD 811 PRAC	Senior/Disabled	2,253,248	118,592	2,488,320
Clackamas	20	40	15	14	HUD 811 PRAC	Senior/Disabled	1,778,880	118,592	1,935,360
Multnomah	22	43	9	9	Sect 8	Family	400,000	44,444	1,492,560
Multnomah	22	43	16	16	Sect 8	Family	1,000,000	62,500	2,653,440
Multnomah	22	43	22	22	Sect 8	Family	700,000	31,818	3,648,480
Multnomah	22	43	24	10	LIHPRAH w/Sect 8	Family	800,000	33,333	1,658,400
Multnomah	22	43	18	18	LIHPRAH w/Sect 8	Family	1,188,000	66,000	2,985,120
Multnomah	22	43	18	18	LIHPRAH w/Sect 8	Family	1,188,000	66,000	2,985,120
Multnomah	22	43	56	56	LIHPRAH w/Sect 7	Family	3,696,000	66,000	9,287,040
Multnomah	22	43	8	8	LIHPRAH w/Sect 8	Family	528,000	66,000	1,326,720
Multnomah	22	43	14	14	LIHPRAH w/Sect 8	Family	924,000	66,000	2,321,760
Multnomah	22	43	74	73	202 PRAC	Elderly/Disabled	4,884,000	66,000	12,106,320
Multnomah	22	43	88	35	HUD LMSA	Family	5,808,000	66,000	5,804,400
Multnomah	22	44	65	61	HUD 202 PRAC	Senior/Disabled	7,708,480	118,592	8,432,640
Multnomah	24	47	35	32	Section 8	Family	-	66,000	5,306,880
Crook	28	55	36	30	RD	Elderly	2,328,912	64,692	5,581,980
Wallowa	29	57	24	23	RD	Family	1,584,000	66,000	4,279,518
Wallowa	29	57	14	14	RD	Elderly	924,000	66,000	2,604,924
Baker	29	57	40	40	LIHPRAH w/Sect 8	Family	1,494,360	37,359	6,633,600
Union	29	58	40	40	Sec 8	Family	2,640,000	66,000	6,633,600
Hood River	30	59	40	13	RD	Elderly	2,640,000	66,000	2,418,858
Malheur	30	60	13	13	Section 8	Family	858,000	66,000	2,155,920
Harney	30	60	18	18	Section 8	Elderly/Disabled	1,188,000	66,000	2,985,120
Harney	30	60	30	30	LIHPRAH w/Sect 8	Family	2,037,480	67,916	4,975,200
Harney	30	60	18	18	Section 8	Family	1,188,000	66,000	2,985,120
Malhuer	30	60	8	8	RD 515/8	Elderly	640,000	80,000	1,326,720
Malhuer	30	60	10	10	HUD Section 8	Elderly/Disabled	660,000	66,000	1,658,400

Active PBRA Transactions: 66 Projects 2,192 Total Units 1,729 Assisted Units 158,263,157 Est. Gap Funds Needed 72,200 Est. Gap Funds/Unit 289,785,288 Subsidy Value Preserved

County	Senate District	House District	Total Units	Rent Assisted Units	Subsidy Type	Tenant Population	Est. Gap Funds Needed *	Est. Gap Funds/Unit	Subsidy Value Preserved
Public Housing									
Home Forward - Group 8									
Multnomah	18	36	73	73	Public Housing Conv	Elderly/Disabled	4,015,000	55,000	14,506,560
Multnomah	21	42	80	80	Public Housing Conv	Elderly/Disabled	4,400,000	55,000	15,897,600
Multnomah	22	43	24	24	Public Housing Conv	General	1,320,000	55,000	4,769,280
Multnomah	23	45	28	28	Public Housing Conv	General	1,540,000	55,000	5,564,160
Multnomah	24	48	20	20	Public Housing Conv	General	1,100,000	55,000	3,974,400
Multnomah	26	51	18	18	Public Housing Conv	General	990,000	55,000	3,576,960
			243	243			13,365,000	55,000	48,288,960
Home Forward - Group 9									
Multnomah	18	36	24	24	Public Housing Conv	General	1,800,000	75,000	4,769,280
Multnomah	21	41	70	70	Public Housing Conv	General	5,250,000	75,000	13,910,400
Multnomah	24	47	32	32	Public Housing Conv	General	2,400,000	75,000	6,359,040
			126	126			9,450,000	75,000	25,038,720
Home Forward In Process Totals:	9 projects		369	369			22,815,000	130,000	73,327,680
Homes for Good RAD Phase II									
Bond 4% bundle 1									
Lane	5	9	29	29	Public Housing Conv	Family	2,345,155	80,867	5,762,880
Lane	7	13	38	38	Public Housing Conv	Family	3,072,962	80,867	7,551,360
Bond 4% bundle 2									
Lane	6	12	172	172	Public Housing Conv	Family	10,231,299	59,484	34,179,840
Lane	6	12	22	22	Public Housing Conv	Family	1,308,655	59,484	4,371,840
Bond 4% bundle 3									
Lane	7	13	150	150	Public Housing Conv	Elderly/Disabled	7,257,572	48,384	29,808,000
Bond 4% bundle 4									
Lane	4	8	30	30	Public Housing Conv	Elderly/Disabled	1,521,477	50,716	5,961,600
Lane	4	8	20	20	Public Housing Conv	Elderly/Disabled	1,014,318	50,716	3,974,400
Lane	7	14	40	40	Public Housing Conv	Elderly/Disabled	2,028,635	50,716	7,948,800
Bond 4% bundle 5									
Lane	4	7	60	60	Public Housing Conv	Elderly/Disabled	2,518,290	41,972	11,923,200
Lane	6	11	34	34	Public Housing Conv	Elderly/Disabled	1,427,031	41,972	6,756,480
Homes for Good In Process Totals:	10 projects		595	595	Units		32,725,394	55,001	118,238,400
Salem HA RAD Phase I									
Salem	10	20	30	30	Public Housing Conv	Family	1,433,460	47,782	5,961,600
Salem	11	21	28	28	Public Housing Conv	Family	1,337,896	47,782	5,564,160
Salem	Various		79	79	Public Housing Conv	Family	3,774,778	47,782	15,698,880
Total Salem Housing Authority In-Process Totals:			137	137			6,546,134	47,782.00	27,224,640
Housing Authority of Clackamas County									
Clackamas	20	40	100	100	Public Housing Conv	Family	10,500,000	105,000	19,872,000
Clackamas	20	40	100	100	Public Housing Conv	Family	10,500,000	105,000	19,872,000
Clackamas	21	41	100	100	Public Housing Conv	Family	10,500,000	105,000	19,872,000
Housing Authority of Clackamas County In-Process Totals:			300	300			31,500,000	105,000	59,616,000
Active PHA Redevelopments	25 Projects		1,401	1,401	Units		93,586,528	66,800	278,406,720

Rent Restricted Projects

County	Senate District	House District	Units	Tenant Population	Subsidy Type	Est. Gap Funds Needed *	Est. Gap Funds/Unit
Douglas	1	2	49			3,185,000	65,000
Douglas	1	2	26 Families	LIHTC		1,690,000	65,000
Douglas	1	2	31 Special needs	LIHTC, HOME		2,015,000	65,000
Douglas	4	7	24 Families	Restricted		1,560,000	65,000
Lane	6	12	35 Families	LIHTC, HOME		400,000	11,429
Lane	7	13	8 Families	Restricted		400,000	50,000
Lane	7	13	88 Families	9% LIHTC, HOME		7,300,000	82,955
Lane	7	13	102 Families	9% LIHTC		1,706,000	16,725
Lane	7	14	64 Families	9% LIHTC		984,000	15,375
Lane	7	14	72 Families	4% LIHTC, HOME		7,230,000	100,417
Benton	8	16	12 Families	HOME		350,000	29,167
Linn	9	17	30 Families	LIHTC Extended Use, HOME		500,000	16,667
Linn	9	17	16 Families	HOME		200,000	12,500
Linn	9	17	10 Families	HOME		200,000	20,000
Linn	9	17	10 Families	HOME		100,000	10,000
Linn	9	17	6 Families	HOME		75,000	12,500
Polk	10	20	38 Families	HOME, HGDP, OAHTC		950,000	25,000
Marion	11	22	220 Families	LIHTC		9,900,000	45,000
Clackamas	13	26	144 Families	LIHTC, Risk Share, HOME		11,550,275	80,210
Washington	14	28	64 Families	LIHTC		5,000,000	78,125
Washington	15	29	56 Families	9% LIHTC		4,500,000	80,357
Washington	15	29	101 Families	9% LIHTC		8,000,000	79,208
Washington	15	29	45 Families	9% LIHTC		5,000,000	111,111
Clatsop	16	32	36 Families	HOME, LIHTC		1,815,000	50,417
Washington	18	35	172 Seniors	LIHTC		7,800,000	45,349
Multnomah	18	36	62 Special needs	Non-LIHTC		4,030,000	65,000
Multnomah	18	36	62 Special needs	LIHTC Extended Use		4,030,000	65,000
Multnomah	18	36	129 Adults	PBV, LIHTC		4,500,000	34,884
Multnomah	18	36	140 Adults	LIHTC		165,000	1,179
Multnomah	18	36	93 Adults	LIHTC		2,000,000	21,505
Multnomah	18	36	76 Adults	Section 8		894,500	11,770
Multnomah	18	36	105 Adults	LIHTC		6,825,000	65,000
Multnomah	18	36	80 Special needs	Restricted		7,695,000	96,188
Multnomah	21	42	4 Families	Non-LIHTC		51,500	12,875
Multnomah	21	42	30 Families	Non-LIHTC		369,500	12,317
Multnomah	21	42	88 Special needs	PHB, OHCS, FHLB		8,000,000	90,909
Multnomah	21	42	30 Adults	Restricted		2,780,000	92,667
Multnomah	21	42	144 Adults	Restricted		5,570,000	38,681
Multnomah	21	42	23 Adults	Restricted		2,075,000	90,217
Multnomah	22	43	67 Adults	LIHTC		140,000	2,090
Multnomah	22	43	80 Adults	Section 8		280,000	3,500
Multnomah	22	43	51 Seniors	LIHTC, HOME, OAHTC		4,090,722	80,210
Multnomah	22	44	27 Families	HOME, PBA, LIHTC		110,000	4,074
Multnomah	22	44	12 Families	HOME, PBA		500,000	41,667
Multnomah	23	45	58 Families	LIHTC		1,000,000	17,241
Multnomah	23	46	144 Families	LIHTC		3,600,000	25,000
Multnomah	23	46	24 Families	HOME, OAHTC		300,000	12,500
Multnomah	24	47	62 Families	LIHTC, OAHTC		4,030,000	65,000
Multnomah	24	47	42 Families	LIHTC Extended Use, PHB		3,500,000	83,333
Multnomah	24	47	74 Families	LIHTC Extended Use, PHB		5,398,300	72,950
Multnomah	24	47	70 Families	LIHTC, PHB		4,550,000	65,000
Multnomah	24	48	36 Families	LIHTC, HOME		2,887,569	80,210
Multnomah	24	48	15 Families	CDBG		375,000	25,000
Multnomah	25	50	45 Families	RAD		3,000,000	66,667
Multnomah	25	50	20 Families	LIHTC, HOME		500,000	25,000
Multnomah	25	50	40 Families	LIHTC Extended Use, HOME		4,270,000	106,750

Rent Restricted Projects

County	Senate District	House District	Units	Tenant Population	Subsidy Type	Est. Gap Funds Needed *	Est. Gap Funds/Unit
Clackamas	26	51	21	Special needs	Restricted	938,291	44,681
Clackamas	26	51	9	Special needs	Restricted	400,604	44,512
Multnomah	26	51	97	Families	LIHTC, OHCS Risk Share, PHB	6,500,000	67,010
Multnomah	26	51	124	Families	LIHTC Extended Use	8,000,000	64,516
Deschutes	27	53	6	Special needs	Housing Plus	30,228	5,038
Deschutes	27	54	96	Families	LIHTC	6,240,000	65,000
Deschutes	27	54	11	Special needs	HOME	60,709	5,519
Deschutes	27	54	14	Special needs	HOME	112,545	8,039
Crook	28	55	8	Special needs	HOME	85,227	10,653
Umatilla	29	57	33	Families	LIHTC	2,145,000	65,000
Morrow	29	57	40	Families	LIHTC	2,600,000	65,000
Umatilla	29	57	25		LIHTC	1,625,000	65,000
Morrow	29	57	19	Seniors	HOME	1,235,000	65,000
Wallowa	29	57	10	Special needs	HOME	660,000	66,000
Wasco	30	59	24		LIHTC	1,560,000	65,000
Malheur	30	60	9		LIHTC	585,000	65,000
Multnomah	Various	Various	34	Families	Rent Restricted	2,210,000	65,000
73 projects:			3,972	Total Units		204,914,970	

Summary by Property Type

	Total Projects	Total Units	Rent Assisted Units	Estimated Gap Funds Needed	Federal Project Based Rental Assistance Preserved	Estimated Gap Funds/Unit
Active PBRA Transactions:	66 projects	2,192	1,729	158,263,157	289,785,288	91,535
Active PHA Redevelopments	25 projects	1,401	1,401	93,586,528	278,406,720	66,800
Active Rent Restricted Projects	73 projects	3,972		204,914,970		51,590
Total All Active Projects	164 projects	7,565	3,130	456,764,655	568,192,008	60,379
Pipeline Projects are Located in 56 Oregon Cities						

Notes on Subsidy Value Preserved: HUD PBRA based on 20-year contracts at average annual Section 8 payments per unit of \$8,292 or \$165,840 for 20-years (2020 Picture of Subsidized Housing)
 HUD Mod Rehab based on 20-year contracts at average annual Section 8 payments per unit of \$5,736 or \$114,720 for 20-years (2018 Picture of Subsidized Housing)
 Public housing subsidy amount = \$828 HAP per household (monthly average) x 12 months x 20-years = \$198,720 (2020 Picture of Subsidized Housing)
 RD RA based on 30-years additional Use Restrictions and RA commitment on preserved projects at annual average RR payment per unit
 of \$6,202 x 30 = \$186,066 (FY 2020 RD Obligations Report)

Estimated Gap Amount Estimated gap amounts are based on developer estimates (transfers and PH conversions) and owner survey responses (Rent Restricted properties)