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Dear Chair Marsh, Vice-Chairs Anderson and Breese-Iverson, and Members of the Committee,

I am writing on behalf of LandWise, LLC to urge your support for affordable housing preservation and **HB 4036**. Oregon took an important first step in 2025 by investing \$50 million in housing preservation; however, that funding addressed less than 20% of the documented statewide need.

Affordable housing in Oregon faces risk across several overlapping categories.

Expiring affordability: Over the next ten years, 87 properties with nearly 3,000 units are at risk due to expiring federal project-based rental assistance. In addition, more than 100 properties with over 5,000 units face other affordability expirations, including the end of tax credit or state affordability restrictions.

Serious physical capital needs: Oregon Housing and Community Services has identified approximately 40 projects with roughly 2,300 units that have major capital needs threatening long-term viability and tenant health and safety.

Financial distress: 273 properties statewide do not consistently generate enough revenue to meet basic debt obligations.

In rural Oregon, affordable housing preservation is directly tied to workforce stability. Agricultural operations, hospitals and clinics, school districts, and construction and trades-based employers depend on a local workforce that cannot commute long distances or absorb rising housing costs. When existing affordable housing is lost, communities struggle to retain farm workers, nurses, medical technicians, teachers, and skilled tradespeople, undermining both local economies and access to essential services.

Rural communities also face higher construction costs, limited developer capacity, and smaller project sizes that make new housing difficult to finance. As a result, preservation of existing housing is often the only near-term option to maintain workforce housing and prevent displacement of long-term residents.

HB 4036 will allow \$100 million in Article XI-Q bonds to be used for preservation. This authority applies to projects involving acquisition or substantial rehabilitation that

require a full refinance, while allowing the state to retain sufficient ownership and operational control.

Affordable housing preservation works, and it is far more cost-effective than replacing lost units through new construction. HB 4036 provides a practical tool to stabilize housing that already serves Oregon's agricultural workers, healthcare professionals, and skilled trades, helping ensure rural communities remain viable places to live and work.

Again, I urge you to support HB 4036. Thank you for your time and consideration.

Sincerely,



Angela Sullivan
LandWise, LLC
Pendleton, Oregon