



May 4, 2021

Joint Ways and Means Subcommittee on Capital Construction
Oregon State Legislature
900 Court Street NE
Salem, OR 97301

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

I write to you today on behalf of Chrisman Development, Inc. in support of SB 5534, and the inclusion of \$100 million to preserve and maintain existing affordable in Lottery bonds.

Since 1989, Chrisman Development has been a leader in the development, rehabilitation, and management of affordable housing projects serving low income families, seniors, the disabled, and the chronically mentally ill. Chrisman Development has developed or rehabilitated 51 affordable housing projects, representing a total of 1,600+ units with total project costs exceeding \$180,000,000.

Chrisman Development takes significant pride in the success of the numerous projects it has developed. With a particular focus on USDA Rural Development properties, Chrisman Development has specialized in the acquisition and rehabilitation of existing federally subsidized affordable housing projects. Moreover, Chrisman Development has been the Oregon leader in preservation of USDA Rural Development properties with federal project based rental assistance, focusing on multi-project consolidations.

A safe and stable place to call home is a basic human need.

All Oregonians need a safe, stable, and affordable place to call home. Over the years, we've developed thousands of affordable apartment homes in towns and cities across Oregon. Some of these affordable apartment homes were built by private owners using resources from the federal government, including rental assistance which helps households with low incomes to pay the rent every month. In many of our smaller communities, these buildings are the only affordable apartment homes available.

These apartment homes have provided stability, safety, and affordability for area residents for the last thirty-plus years. The people who live in these homes are seniors, people experiencing disabilities, and families just starting out.

Today, we have the opportunity to reinvest in these homes and ensure they will be safe and available for the next generation. Just like schools or hospitals, affordable rental homes need regular investments to ensure they stay safe for people to live in. Our investments are needed to replace the roof, make repairs to the exterior of the buildings, or to ensure the safety, habitability, and sustainability of these homes for generations to come. Oregon needs to steward these aging homes for future generations without raising rents.

RE: SB 5534

May 4, 2021

Page 2

In 2011, Chrisman Development acquired and preserved a portfolio of five USDA Rural Development properties, for a total of 239 units utilizing approximately **\$10M in Lottery Backed Bonds**. The concept of multi-project consolidations provides for the preservation of more units at one time; with a common form of financing, several costs are spread among the projects, and there are some economies of scale.

We are currently rehabilitating a portfolio of four Rural Development projects located in Tillamook, Heppner, Newberg and McMinnville, for a total of 122 units. These projects received an allocation of **\$8.3M in Lottery Backed Bonds**. The preservation of these projects will preserve 102 of the 122 units that receive federal project-based rental assistance.

Chrisman Development currently has 10 Rural Development and Section 8 projects, 392 units, in the pipeline for future preservation. With additional resources available from Oregon Housing and Community Services for preservation of federally assisted projects, in particular the Housing Preservation Funds, (Lottery Backed Bond), the opportunity to obtain financing and preserve these projects could be done within 2-4 years, versus submitting 1-3 projects at a time through the Department's competitive Low-Income Housing Tax Credit program and taking 5-7 years. The longer it takes to preserve these projects, the likely it is for owners to opt out of the federal assistance contracts and convert these projects to market rate.

There continues to be a need to preserve both HUD Section 8 and USDA Rural Development properties, especially those with project-based rental assistance. With a thriving real estate market, more owners will consider opting out of these federal programs and selling their projects in the open market, thereby, eliminating the project-based rental assistance that is so valuable, and that the State of Oregon just cannot replicate.

In addition, the majority of residents in these properties have incomes at or below 50% of Area Median Income, with a high percentage at or below 30% of AMI. The value of the rental assistance is the difference between a decent, safe, affordable place to live and homelessness.

We urge your support for the inclusion of \$100 million to preserve and maintain affordable housing in communities across Oregon.

Thank you for your time and for your service to the State of Oregon.

Sincerely,



Shelly Cullin
Director of Development
Chrisman Development, Inc.