



## **Housing Alliance 2007 Housing Opportunity Agenda Proposed Uses of \$100 million**

(all figures are for the 2007-2009 biennium)

### **\$ 80 million – Multi-Family Rental Development**

We are asking that an additional \$74 million for immediate housing development be allocated through the Consolidated Funding Cycle at Housing and Community Services (HCS) – this would allow the Department to fund viable pending applications and speed up the response of community based developers to housing needs in their communities.

These new resources will produce at least 1,000 affordable units – units that will become part of Oregon's infrastructure and remain affordable to hardworking families or those with special needs for generations. Our investment will create opportunity for families and individuals, leverage significant private investment, *and* create new family wage construction jobs.

The current HCS allocation of state resources is just \$5.6 million (from utility public purpose funds). Viable projects now wait two or three years for an allocation of state funds – this makes projects harder to do for the developers and more expensive as construction costs keep rising. Larger per-unit subsidies from HCS will allow us to reach lower rent levels and to replace the many funding sources that are declining or not growing at pace with the need.

#### ***Priorities for development:***

##### **❖ Permanent Supportive Housing for special needs populations:**

Approximately 20% of these funds will be used for the **creation of debt-free housing units that could serve individuals and families with ongoing special needs**. These residents have a long term, if not permanent, need for housing plus access to services, and we as communities need to continue to develop an infrastructure of housing that will be permanently available. This will supplement special allocations through the Dept of Human Services which respond to special circumstances.

❖ **New Construction:** Funds will be used to create new units where insufficient multi-family units exist. Our populations are growing rapidly, and multi-family housing is needed to meet the increased demand. New construction will be well designed to blend in with established communities and minimize the effects of density.

❖ **Rehabilitation and Preservation of Existing Housing:** Our existing multi-family housing stock and many downtown buildings are aging, but much can be saved and re-used. Rehabilitation not only preserves the existing character of our towns, it is usually a cost-effective alternative to new construction. Rehabilitation may also allow the retention of federal rent subsidies, which assist very low income households.

❖ **Mixed Use and Downtown Revitalization:** Many communities are seeing the benefits of creative use of downtown and urban spaces in mixed-use developments. Whether historic preservation or new construction, these developments blend commercial, office, retail, and residential spaces to great advantage. Housing in these areas brings workers and shoppers closer to work and retail areas, and recreates community gathering spots.

### **\$ 10 million – Homelessness**

Increase funds available through the Emergency Housing Account by approximately \$5 million for uses including:

- Increase movement of homeless individuals and families into permanent housing;
- stabilize families and individuals in existing permanent housing through shorter term eviction prevention funds or foreclosure prevention funds; or
- provide operating support for permanent supportive housing.

### **\$4 million – Capacity Building**

We are asking for \$4 million to be allocated to renew and expand funding for grants to build and maintain the capacity of community based agencies across all regions of the state to develop, manage, and preserve affordable housing. Grants would be made through a competitive process with several goals:

- Maximize community-driven development and ownership capacity statewide;
- encourage collaboration and partnership that expands capacity or increases efficiency;
- provide necessary technical assistance and training to ensure performance and sustainability.

Affordable housing is not something that the private market can or will do on its own. We need to take seriously the support of organizations that bring this capacity to Oregon's communities.

Affordable housing, with its unique layering of subsidies and restrictions, requires competent development staff as well as strong management systems

### **\$6 million – Homeownership**

\$5 million increase in funding for Homeownership. The resources will be used for the following:

- Increase current expenditures for **counseling** – counseling gives families the skills and support they need to successfully repair credit, manage financial priorities, and make good ownership decisions;
- Increase current expenditures for **down payment assistance**. Homeownership is just too expensive in many markets and coming up with the down payment can be a major barrier. We want to be able to provide appropriate levels of down payment assistance in various cities. This money is typically recaptured when homeowners sell or build up sufficient equity, so it will be a revolving resource.
- Many community-based housing developers are doing homeownership construction. We want to help them develop affordable homeownership units by allowing them to subsidize development at the front end, through **construction subsidy** or **land banking**.