



### Member Organizations

1000 Friends  
AFSCME Local 3267  
Association of Oregon Community Development Organizations  
Association of Oregon Housing Authorities  
CASA of Oregon  
Central City Concern  
City Club of Portland  
City of Ashland  
City of Beaverton  
City of Eugene  
City of Gresham  
City of Medford Housing & Community Development Commission  
City of Portland  
City of Talent  
City of Wilsonville  
Clackamas Community Land Trust  
Clackamas Housing Action Network  
Coalition for a Livable Future  
Community Action Directors of Oregon  
Community Action Team, Inc.  
Community Alliance of Tenants  
Community Development Network  
Community Housing Fund  
Community Partners for Affordable Housing  
Ecumenical Ministries of Oregon  
Enterprise Community Partners, Inc.  
Habitat for Humanity of Oregon  
Hacienda CDC  
HOST Development, Inc.  
Homeless Families Coalition  
Housing Advocacy Group of Washington Co.  
Housing Development Center  
Interfaith Committee on Homelessness  
Jackson County Housing Coalition  
Lane County Legal Aid and Advocacy Center  
League of Women Voters of Oregon  
Lincoln County  
Manufactured Home Owners of Oregon, Inc.  
Metro  
Multnomah County  
Neighborhood Economic Development Corp.  
Neighborhood Partnership Fund  
Network for Oregon Affordable Housing  
Northwest Community Land Trust Coalition  
Northwest Housing Alternatives  
Oregon Action  
Oregon Council on Developmental Disabilities  
Oregon Coalition on Housing & Homelessness  
Oregon Food Bank  
Oregon Manufactured Homeowners United  
Portland Community Land Trust  
Portland Community Reinvestment Initiatives, Inc.  
Portland Impact  
REACH CDC  
Rogue Valley CDC  
Rose CDC  
St. Vincent DePaul of Lane County  
Shelter Care  
Sisters of the Road  
Umpqua CDC  
Washington County

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# February 2008 Legislative Session SB 1073

## The Housing Alliance is requesting \$2.75 million in the February 2008 legislative session:

- ◆ **\$2 million** to seed a revolving loan fund to help preserve existing rent-subsidized affordable housing, and
- ◆ **\$750,000** to support development and implementation of local strategies to end homelessness.

### **PRESERVE EXISTING RENT-SUBSIDIZED HOUSING: \$2 million of state General Fund into a "Housing Acquisition Fund" — a revolving loan fund to provide interim financing to save these affordable homes.**

More than 7,000 rent subsidized apartments in more than 250 properties across Oregon are at risk of loss beginning immediately. Properties threatened by the end of existing subsidy agreements were developed over the past 40 years with support from the federal Department of Housing and Urban Development, from the Rural Development program of the Department of Agriculture (formerly known as "Farmers Home"), and with State of Oregon bond financing coupled with federal rent subsidies. The properties are located in all corners of the state.

Existing contracts that keep these apartments affordable are expiring in the next one to seven years. Many of the private owners of these properties are interested in selling and would prefer to see the housing remain affordable. The Housing Acquisition Fund is a crucial tool to save these affordable units.

In its first year, the state's General Fund investment into the "Housing Acquisition Fund" will leverage an additional \$26 to \$46 million in private, philanthropic, and local public funds. Over six years we estimate that the total leverage would exceed \$150 million. It would also protect millions of dollars in federal rent subsidy payments from the Section 8 and Rural Development programs. We estimate the Fund will finance the short term preservation of at least 2,700 apartments.

The fund will help preserve this stock of housing by facilitating sales to new owners who will maintain current rent levels. Preservation of existing housing is much less expensive than replacing it — replacement cost of these units would easily exceed \$250 million. In addition, saving this housing will:

- ◆ Prevent displacement of very low income seniors, people with disabilities, and families with children from homes in communities which have no other housing available at a similar cost
- ◆ Maintain federal rent subsidies for these properties — worth millions of federal support per year for Oregon

Interim financing through this "Housing Acquisition Fund" will allow for timely sales that can be structured to maintain all possible federal subsidy. This interim financing is an essential tool to make preservation efforts successful.

Interim financing complements permanent financing tools that Housing and Community Services has available, including permanent financing approved during the 2007 session of \$8.1 million and the Oregon Affordable Housing Tax Credit, which was expanded during the 2007 session for this purpose. Tens to hundreds of millions will continue to be needed over the next five to ten years to ensure the permanent preservation of this housing, depending upon federal decisions and market conditions.

The Fund will be administered by the Network for Oregon Affordable Housing, and managed by a steering committee of local experts, business leaders, and investors. Meyer Memorial Trust has pledged significant support for the Fund if State funds are committed, and has made a grant to support the administrative costs to launch this effort. Other local funders have committed support as well if the Fund is seeded, and a grant proposal is in process to the MacArthur Foundation. Banks and local jurisdictions have indicated a willingness to invest in the Fund once it is established.

The table below illustrates the anticipated impact of the "Housing Acquisition Fund."

	Capital Investment	Bank Leverage	Total Fund	# Units	# Projects	Annual Rental Assistance Preserved	TOTAL LEVERAGE
General Fund	\$2,000,000	\$6,000,000	\$8,000,000				
Foundations / Other	\$13,000,000	\$29,000,000	\$42,000,000				
<b>TOTAL over 2 years:</b>	\$15,000,000	\$35,000,000	\$50,000,000	909	26	\$4,189,091	\$52,189,091
<b>TOTAL over 6 years:</b>			<b>\$150,000,000</b>	<b>2,727</b>	<b>78</b>	<b>\$12,567,273</b>	<b>\$160,567,273</b>

**HOMELESSNESS: \$750,000 would support strategies and development of local solutions to homelessness.** Counties and local jurisdictions need support as they work to re-align their systems to better serve the growing numbers of displaced households and homeless families and individuals. In 2006, Oregon formed an Inter-agency Ending Homelessness Advisory Council by Executive Order. That group will announce in early 2008 the first steps in a statewide plan to end homelessness. However, state level action and coordination is not enough. We need to engage and support local communities as they do the hard work of assessing local conditions and re-aligning local systems.

Nine counties in Oregon have already made great progress in addressing the growing problem of homelessness in our state by developing or initiating coordinated planning processes. We want to provide support, training, and capacity to these communities as they take their next step and to the 27 other counties who have not yet begun this process.