



Save Our Homes: SB 1073 Protects Seniors, People with Disabilities and Vulnerable Families

We are calling on the Legislature to allocate \$2 Million to create a Housing Acquisition Fund to help preserve 7,000 affordable homes in Oregon and help stop the displacement of thousands of our vulnerable neighbors.

What is the Housing Acquisition Fund?

A revolving loan fund needed to save thousands of units of privately owned affordable housing across Oregon. This housing was built by private owners over the past 40 years with support from Housing and Urban Development (HUD) and Rural Development (RD). As the contracts with federal agencies expire, many owners would like to sell, putting the units and the valuable federal rent assistance contracts at risk. The Housing Acquisition Fund would level the playing field, so nonprofit developers and public housing authorities can compete with private real estate investors to purchase this crucial housing stock and keep it affordable to its current residents. The Fund would be administered by NOAH, a non-profit consortium of banks that specializes in affordable housing finance.

Why does funding the Housing Acquisition Fund makes sense for the 2008 session?

The Housing Acquisition Fund addresses an *emergency* need with *one-time funding* that will *leverage an estimated \$150 million* in other public and private funds over the next six years.

- *The Emergency.* More than 250 federal contracts that have provided 7,000 affordable homes to our low-income neighbors for the last 20 years or more are about to expire. Unless the buildings can be purchased by buyers committed to affordable housing and the federal contracts renewed, many of these 7,000 affordable homes may be lost forever. In many rural communities, these homes are the only affordable option. If the contracts are allowed to lapse, these households -- seniors, people with disabilities, working families -- may lose their homes.
- *Leverages \$150 million:* Private foundations, commercial banks and other local governments have pledged funding to the Housing Acquisition Fund. Over the next six years, a state investment of \$2 million would leverage an estimated \$150 million in preservation funds.
- *One-time Funding.* The Housing Acquisition Fund is a revolving loan fund. All the money 'borrowed' from the fund to preserve these affordable homes will be re-paid when the long-term financing for the purchase is in place.

The High Cost of Doing Nothing:

Preserving these homes makes financial sense for Oregon. Leveraging its investment by 75:1 is smart by any measure. Funding the Housing Acquisition Fund now also saves Oregon well over \$250 million:

- *\$30 million annually in federal HUD and RD housing subsidies that flow into Oregon under these contracts is at risk, unless the new owners are committed to renewing the federal contracts and keeping the units affordable.* Oregon will be left with fewer resources to address a much larger housing crisis. With the looming foreclosure crisis and growing numbers of people who are homeless throughout our state, Oregon simply cannot afford to let this money go.
- *The cost to replace these affordable homes would exceed \$250 million.* Preserving what we have will cost much less. Use any new housing funds to develop housing for Oregon's homeless, returning veterans, and the thousands of hard working families now spending so much on rent that they cannot afford food or other necessities.