

Housing Opportunity for Oregon Communities

Preservation of assisted housing – Good policy with lasting benefits

Affordable homes for our neighbors who need the help:

- Project-based rental assistance programs through the U.S. Department of Housing and Urban Development (HUD) and U.S. Department of Agriculture (USDA) Rural Development provide homes for more than 17,000 low-income households in Oregon.
- Oregon public housing agencies own and operate approximately 5,500 units of public housing that provide affordable homes to low-income households across the state. Much of Oregon's public housing is older and in need of physical upgrades to remain viable for future generations. HUD allows some public housing to be converted to project-based rental assistance which encourages private investors to finance much needed renovations and energy efficiency upgrades.
- Project-based rental assistance allows low-income renters to pay their rent and still have something left for groceries and medicine. The average household income for residents in properties with federal project-based rent assistance is \$862 per month, while the Fair Market Rent for the average two-bedroom home in Oregon is \$846 per month.
- Two thirds of the apartments supported by project-based rental assistance contracts provide affordable homes to residents who are elderly or have a disability.

A good deal for Oregon and the Oregon economy:

- Project-based rental assistance contracts brought an estimated \$80 million of federal funding to Oregon communities in 2014.
- Legislative appropriations of \$41.9 million between 2007 and 2014 have leveraged \$543 million in private capital.
- 5,610 jobs were created between 2006 and 2014 as a result of the public and private capital invested in Preservation projects.



A long-term solution:

- Project-based rental assistance contracts tied to specific homes provide long-term security to residents and as we have seen in recent years, these programs retain broader support from Congress than other housing subsidy programs.
- Renewals of all existing project-based rental assistance contracts for 20 years would bring \$1.6 billion of federal funding to Oregon.

A cost-effective and equitable solution:

- Preserving existing properties costs an average of 2/3 the cost of building new affordable rental housing.
- Many of the existing properties with project-based rental assistance are located near essential services, transportation and employment opportunities. Preserving existing housing in desirable neighborhoods helps low-income residents avoid displacement resulting from gentrification.
- Properties with federal project-based rental assistance contracts are located in communities in every part of the state. Well over half are located in towns with populations under 25,000.

An energy efficient solution:

- The greenest building is one that has already been built – renovation requires a fraction of the natural resources and energy that new construction consumes.
- Significant energy upgrades in preserved properties make existing buildings far more energy efficient, lowering utility costs and providing healthier homes for residents.

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Homes that meet the needs and budgets of residents:

- More than one in four U.S. renters uses at least half their family income to pay for housing and utilities. An astonishing 8 in 10 renters with extremely low incomes in Oregon now spend more than 50% of their income on housing, making preservation of existing homes with project-based rental assistance more vital than ever.
- Preserving properties with project-based rental assistance contracts allows vulnerable Oregonians to remain in their homes and keeps affordable housing resources available for the future.

Project-based contracts tie housing resources to communities:

- When the mortgage on a Rural Development property matures the housing converts to market and the Rental Assistance is lost forever. When HUD project-based rental assistance contracts expire without being renewed the community must accept the loss of badly needed assisted housing.

Preserved Property Totals 2006-2015

Preserved Properties	198 *
Rent Assisted Units	7,237
Total Units	8,747
State Funds Invested	\$120,526,692
Other Capital Sources	\$648,587,800
Construction Contracts	\$244,950,053
Jobs Created	6,614
Total Project Costs	\$769,114,492
Federal Subsidy Retained	\$870,953,429
Average Resident Household Income	\$10,197

* Includes 13 Manufactured Home Communities

Totals include estimates for projects funded but not yet closed

- When HUD project-based rental assistance contracts expire, residents must qualify to receive tenant-based vouchers as a replacement. Those residents must then search for a new home with a landlord willing to accept their voucher. Finding suitable homes can be very difficult in many neighborhoods and communities.
- When the mortgage on a Rural Development property matures and the housing converts to market there are no vouchers or other forms of protections provided to the residents. Preservation of Rural Development properties keeps desperately needed rural homes and associated Rental Assistance contracts in service for decades.
- When tenant-based voucher holders move to a new town, by choice or necessity, the original community loses a precious housing resource.
- Housing stability is just as important as resident choice and mobility. Both place-based and people-based housing assistance programs help maintain healthy communities, providing complementary housing options to people with different needs.

Preserving properties with rental assistance is the primary focus of the Oregon Housing Preservation Project (OHPP). As Oregonians with the lowest incomes continue to have trouble finding a safe, decent, and affordable place to call home, properties with project-based rent assistance contracts provide an invaluable, irreplaceable resource. In many communities around the state, these properties may represent the only safe, stable home for a senior living on a fixed income or a working family struggling to make ends meet. Federal project-based rent assistance also helps fuel the local economy, providing the property a steady stream of income that can attract private capital and investment.

In 2007, a partnership of state and local stakeholders, both public and private, established the OHPP in response to an impending wave of long-term federal project-based rent assistance contracts that would soon reach their expiration dates. Without contract renewals, that assistance is lost forever. OHPP works to provide outreach, technical expertise, and short- and long-term financing to preservation-minded buyers and owners of at-risk properties, with an ultimate goal of preserving affordable homes across Oregon.

**Affordable
Homes for
Oregon
Communities**

Preserve Oregon Housing

www.preserveoregonhousing.org

Oregon Housing Preservation Project Partners:

Oregon Housing and Community Services
City of Portland

Network for Oregon Affordable Housing
U.S. Department of Housing and Urban Development
USDA Rural Development