

# Oregon's Affordable Housing Preservation Initiative

## Accomplishments 2007 through 2012

Oregon communities need safe, stable and affordable housing to meet the needs of residents at all stages of their lives, and at all income levels. We know that demand far outpaces the available supply of affordable housing in every Oregon community. Our seniors need housing they can afford to allow them to live in the communities they helped to build. Residents who cannot work because of injury or disability need affordable homes near services and health care. Young families who are just starting out, or who are struggling to find secure full time work, need a foundation to build on for themselves and their children.



Hundreds of these properties are at or near the end of the contracts which kept them affordable and available to the residents who call them home. At the end of the contract periods, private owners have the option to enter into short term contracts, "opt-out", or terminate the contracts, or they can help preserve the property as affordable by selling or by signing a new long term contract.

Since 2006, a unique effort has helped 5,503 families, seniors, and people with disabilities stay in their homes and their communities. We must continue to take action to save this precious resource in our communities.

Over the years, in every corner of Oregon, from Astoria to Ontario, apartments have been built as part of state and national strategies to ensure access to safe, stable, and affordable housing. One effective strategy created partnerships between private developers and owners, and the federal government. Owners built and managed multifamily properties and the federal government guaranteed that tenants would have the ability to pay their rent. Residents, most with extremely low incomes and two out of three either elderly or living with a disability, pay rent equal to thirty percent of their incomes. The federal government pays the balance of the rent to apartment owners.

- Homes preserved to date are located in 64 Oregon cities and towns and include 97 subsidized multifamily properties and 7 manufactured home communities.
- \$64 million of state investment has leveraged \$467 million in the form of other capital such as Low Income Housing Tax Credits, bonds, private debt and equity, and other federal or local funds.
- The state's investment has secured \$557 million in federal rent assistance payments over the next 20 years, helping Oregonians remain stable in their homes.



There is still much to do. Properties across the state are at risk of having owners opt out if purchasers cannot act swiftly to secure these properties, or if resources are not available to provide both short term, gap financing and permanent financing.

# Spyglass Apartments

## Lincoln City

In December 2010, Becky Foster came to Spyglass Apartments in Lincoln City as resident manager. Almost immediately, renovation began on this 40-unit complex that sits atop a hill, surrounded by small trees, and which is home to families with children.

The residents welcomed the much needed renovations. New siding and roofs, exterior repairs, and complete interior overhauls, including bathrooms and kitchens, are now complete. An aging complex has been refreshed and given new life. And a community spirit has been nurtured by Becky's warmth and the foundation that safe, decent and affordable housing provides.

Also new to the complex at about that time were Grace Kelly and her son, Kai. They moved in just as construction began, thrilled to have a safe, affordable place to call home after being disrupted and afraid. And Spyglass is truly home.



*The Spyglass Apartments were originally built through a US Department of Agriculture (USDA) Rural Development program. The aging complex has been given new life with much-needed renovations.*

Grace exchanged keys with Carol, her next door neighbor. They have gone so far as to decorate their shared doorway with matching door mats and plants. They often join other neighbors at the new picnic table near the basketball court, while younger kids enjoy the new playground equipment.

Spyglass was originally built through a US Department of Agriculture (USDA) Rural Development program. This effort helped rural communities build affordable rental housing for the residents who call these communities home. As a result of the owners renewing an agreement with USDA and an investment by Oregon Housing and Community Services, Spyglass will continue to be an affordable home for families in Lincoln County for years to come.

With the renovations now complete and the project based rental assistance preserved, Grace and Kai, along with many other families, will be able to continue to count on Spyglass as a safe, stable and affordable home well into the future.

***Grace and her son Kai are thrilled to have a safe, affordable place to call home and a wonderful neighbor like Carol.***



# The Village Apartments

## Monmouth

The Village Apartments in Monmouth Oregon is home to 22 seniors living in the community of approximately 10,000. In 2011, The Village was purchased by a developer who wanted to ensure the property would continue to be a home for seniors for the next 60 years. It was extensively remodeled using Housing Preservation Funds provided by Oregon Housing and Community Services and the owner renewed an agreement with the US Department of Housing and Urban Development (HUD) to keep rents affordable for seniors on fixed incomes.



***“This is a beautiful place since they rebuilt it... everything was made easier for me.”***

*– Tony Suarez, resident*

Tony Suarez is one of the long-time residents of The Village. He moved in six years ago, after the death of his wife of over fifty years. Mr. Suarez relies on the rent assistance, as well as this close knit community. He also appreciates the recent renovations, which included weatherization and energy efficiency improvements. Mr. Suarez’s apartment is far more comfortable now, and his winter



*The Village Apartments were extensively remodeled using Housing Preservation Funds provided by Oregon Housing and Community Services.*

electricity bills have dropped from over \$100 to less than \$70 per month – a big savings for someone living on a fixed income.

Mr. Suarez says of the renovations, “This is a beautiful place since they rebuilt it...everything was made easier for me.” The renovation also added new air conditioners to keep homes comfortable on Monmouth’s hot summer days.

Mr. Suarez’s neighbor, Monetta Williamson, also appreciates the new renovations and the stable home that The Village provides. She recently celebrated her 90th birthday with friends in the brand new community room. Ms. Williamson doesn’t know how she’d survive without the help paying her rent provided by the project-based rental assistance. “I stayed in a tent for 11 months when I lived in Nebraska – things were just going wrong,” she says. “I’m afraid I would live in a tent again if I couldn’t live here.”

With very few options in Monmouth for seniors on fixed incomes, residents were thrilled when Northwest Real Estate Capital

Corporation partnered with Guardian Management to purchase and renovate the property and renewed the contract with HUD to maintain the affordable rents. The renovation not only made the buildings more energy efficient, it also added a community garden and a community room.



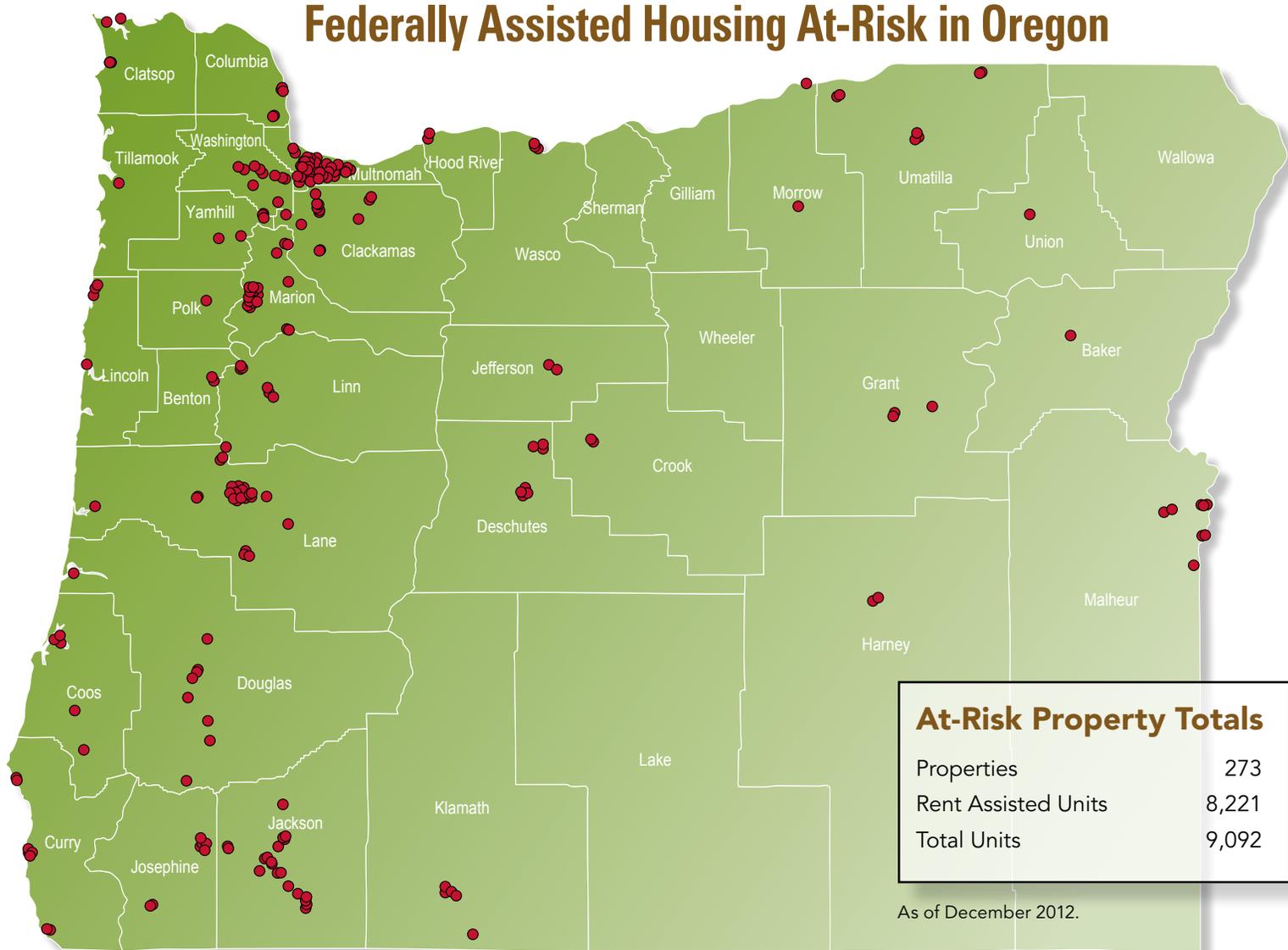
***“I’m afraid I would live in a tent again if I couldn’t live here.”***

*– Monetta Williamson, resident*

With the renovations now completed and a long-term HUD contract in place, The Village will provide safe, stable and affordable homes to seniors in Monmouth for many years to come.



# Federally Assisted Housing At-Risk in Oregon



PROPERTY CITY	#PROPERTIES	# UNITS	PROPERTY CITY	#PROPERTIES	# UNITS	PROPERTY CITY	#PROPERTIES	# UNITS
ALBANY	3	142	HERMISTON	2	34	POWERS	1	26
ALOHA	1	10	HILLSBORO	4	160	PRAIRIE CITY	1	8
ASHLAND	5	166	HINES	1	22	PRINEVILLE	2	50
ASTORIA	1	32	HUBBARD	2	8	REDMOND	3	28
BAKER CITY	1	20	IRRIGON	1	8	REEDSPORT	2	66
BEAVERTON	2	28	JACKSONVILLE	1	24	ROGUE RIVER	2	78
BEND	6	160	JOHN DAY	2	42	ROSEBURG	4	81
BROOKINGS	3	60	JUNCTION CITY	2	54	SAINT HELENS	1	33
BURNS	1	18	KLAMATH FALLS	4	145	SALEM	12	509
CANBY	1	24	LA GRANDE	2	21	SANDY	3	44
CANYONVILLE	1	28	LEBANON	3	100	SCAPPOOSE	3	43
CASCADE LOCKS	2	36	LINCOLN CITY	3	126	SEASIDE	2	76
CAVE JUNCTION	1	20	LOWELL	1	16	SHADY COVE	1	8
CENTRAL POINT	2	72	MADRAS	4	69	SHERWOOD	1	44
COOS BAY	2	30	MCMINNVILLE	1	36	SILVERTON	3	39
CORNELIUS	2	25	MEDFORD	5	202	SPRINGFIELD	6	221
CORVALLIS	3	92	MERRILL	1	12	ST. HELENS	4	107
COTTAGE GROVE	3	89	MILTON-FREEWATER	2	169	STAYTON	2	48
DALLAS	1	50	MILWAUKIE	1	52	SUTHERLIN	3	70
DAYTON	1	22	MOLALLA	3	58	TALENT	1	56
EAGLE POINT	3	74	MYRTLE CREEK	2	64	THE DALLES	3	132
ESTACADA	2	88	MYRTLE POINT	1	30	TILLAMOOK	1	32
EUGENE	13	723	NEWBERG	4	132	VALE	2	32
FOREST GROVE	2	62	NORTH BEND	1	8	VENETA	2	29
GLENDALE	2	41	NYSSA	4	85	WARRENTON	1	40
GOLD BEACH	4	54	ONTARIO	6	160	WHITE CITY	1	32
GRANTS PASS	7	145	OREGON CITY	4	86	WILSONVILLE	1	21
GRESHAM	6	308	PENDLETON	3	110	WINSTON	2	70
HARRISBURG	2	13	PORT ORFORD	2	26	WOODBURN	1	28
HEPPNER	1	24	PORTLAND	46	2326			
							<u>273</u>	<u>9,092</u>

There are 273 'at-risk' properties located in 89 Oregon cities and towns. These properties, to varying degrees, have the potential to lose their affordability restrictions and/or federal project-based rental assistance. This includes some properties currently owned or controlled by non-profit entities and public housing agencies. Most of the at-risk properties are owned by for-profit entities and have rent assistance contracts or other use restrictions expiring within the next 5 years.

# Vida Lea Community Cooperative

## Leaburg

On February 17, 2012, residents of the 33-space Vida Lea Mobile Estates, a manufactured housing community in Leaburg, Oregon, completed the purchase of their community. Utilizing financing and technical assistance from CASA of Oregon, the Network for Oregon Affordable Housing, Oregon Housing and Community Services and the Community Development Law Center, residents organized and formed the Vida Lea Community Cooperative in order to convert their park into a resident-owned community and make necessary infrastructure repairs.

“The more we learned about it and how it worked, the majority of us, I think, became a lot more interested in doing it,” said Dan Fountain, the Cooperative’s Vice President. “We could see the advantages to it. One of the advantages is having control over what happens to the park, and being able to control our rents.”

**“Vida Lea was nice before, but after a complete upgrade of the infrastructure, it became really beautiful.”**

– Travis Blythe, Vida Lea Community Cooperative Treasurer



*Between 2009 and 2012 seven manufactured housing communities in Oregon were preserved and six communities have become resident-owned.*

Once purchased by residents, the community began significant infrastructure improvements with the assistance of CASA of Oregon, including replacement of a dilapidated septic system. “Vida Lea was nice before, but after a complete upgrade of the infrastructure, it became really beautiful,” said Travis Blythe, the Cooperative’s Treasurer.

Converting manufactured housing communities to resident ownership is an effective approach to preserving affordable manufactured housing in Oregon. Resident-owned manufactured housing cooperatives utilize a Board of Directors and member committees to purchase and control their community and manage infrastructure, operations and common areas. Once purchased by members of a non-profit cooperative, the community will remain as an affordable manufactured housing community. Resident ownership encourages wealth-building for cooperative members through appreciation in their home values and provides incentives for the coop owners to invest in improvements to the community infrastructure.

Between 2009 and 2012 seven manufactured housing communities in Oregon were preserved and six communities have become resident-owned.



Photo: Mike Bullard, ROC USA

*Vida Lea will provide safe and affordable housing in Leaburg for years to come.*

# Housing Opportunity for Oregonians

Preservation of housing in Oregon communities has lasting benefits.

## Affordable homes for our neighbors who most 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 16,000 Oregon households, most with extremely low incomes – working families, seniors and people living with disabilities.
- Project-based rental assistance helps Oregonians have enough money to pay the rent and still have money left over for groceries and medicine. The average household income for residents in properties with federal project-based rent assistance is \$851 per month, while the Fair Market Rent for the average two-bedroom home in Oregon is \$807 per month. Without assistance, the amount left over for all other necessities after paying the two-bedroom Fair Market Rent would be only \$44 per month, or less than your typical American family spends on just fruits and vegetables.
- Two thirds of the homes supported by project-based rental assistance house residents who are elderly or have a disability.



## A long-term solution – a good deal for Oregon and the Oregon economy:

- Properties with federal project-based rental assistance contracts are in large and small communities located across Oregon – with more than half in towns with populations less than 25,000.
- Preserving existing housing costs an average of just over 60% of new construction costs.
- Project-based rental assistance contracts brought an estimated \$80 million of federal funding to Oregon communities in 2011.
- \$467 million in private capital was leveraged between 2006 and 2012 for preservation. Project-based rental assistance contracts are a powerful tool to generate investments in communities.
- Project-based rental assistance contracts tied to specific homes provide long-term security to residents and are more likely to retain support from Congress than other subsidy programs.
- Renewals of existing project-based rental assistance contracts for 20 years will secure \$556 million of federal funding for Oregon.

Preserving affordable homes with federal 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 family struggling with unemployment. 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 6,000 homes across Oregon.

Affordable  
Homes for  
Oregon  
Communities

Preserve Oregon Housing

[www.preserveoregonhousing.org](http://www.preserveoregonhousing.org)

### Oregon Housing Preservation Project Partners:

Oregon Housing and Community Services • City of Portland Network for Oregon Affordable Housing

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