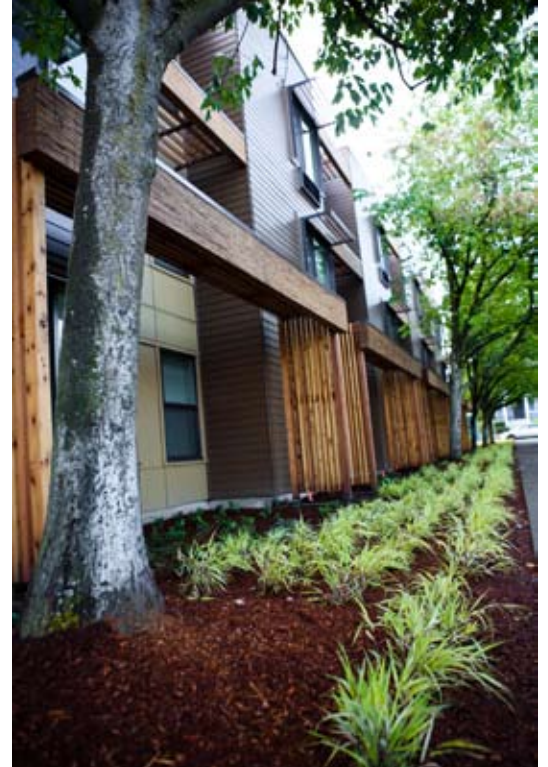


Preserving Oregon's Affordable Rental Housing

Progress Report, March 2011



www.preserveoregonhousing.org

Preserving Oregon's Affordable Rental Housing

Progress Report, March 2011

Housing is the foundation on which Oregon communities are built. Safe, decent affordable housing contributes to the vitality of our communities and gives Oregonians the opportunity to lead successful lives.

Here in Oregon, privately owned apartments with federal rent assistance provide modest homes for thousands of people with very low incomes. These apartments are located in nearly every community in the state and often represent the only affordable housing available in the area. They were built through partnerships between private property owners and the federal government—partnerships that are coming to the end of their contract periods and must be renewed.

“I’m happy to say that I live here. When I see the fresh color, the extent of the repairs my heart swells with thankfulness. Being home has a refreshed feeling and a sense of pride has been re-established. This renovation has not been just about the structure. A benefit has been an investment in pride.”

—Katie Trees, Resident,
Sandhill Apartments, Seaside, Oregon

Preserve Affordable Homes for Oregonians

An important resource for housing affordability in Oregon communities is at risk. In all corners of Oregon, thousands of existing affordable homes are at risk of losing the federal contracts that assure their long-term affordability. For seniors, people with disabilities, and working families with low incomes, these homes may be the only options available that are close to medical care, transportation, schools, and jobs. This is particularly the case in rural communities

Our communities do better when everyone has a safe, affordable place to call home.

Children do better in school when they have a stable home in which to sleep and do their homework.



Seniors shouldn't have to choose between paying rent and buying medications.

Hardworking families should be able to pay rent and still have enough money to buy groceries, clothing, and other necessities.

For several decades federal rent assistance programs have allowed thousands of Oregonians to afford homes in all parts of the state, and have helped make our communities better for everyone. In these difficult financial times, it is especially important that we do all we can to preserve this resource.



Who Lives in the Homes with Federal Rent Assistance?

One-third of these homes house Oregon seniors and people with disabilities, while many others are home to families with children.

The average household income for residents living in these homes is a modest \$10,175 per year. Federal rent assistance allows a family to pay one-third of its income for rent. Without rent assistance, families with the lowest incomes often pay more than half of their income in rent, forcing many to choose between paying their rent or buying groceries, medicine, and other basic necessities. This no-win situation increases the risk of homelessness, health problems, and malnourishment. Our communities suffer when families are unstable, with added pressure on school systems, emergency services, and health care budgets.

The residents who live in homes with federal rent assistance are typically those who have the fewest housing options. Given the low vacancy rates for rental housing in communities across Oregon and the increasing rents, this resource has become even more crucial.

Why Preserve Federal Rent Assistance?

In the next four years, we face the potential loss of thousands of affordable homes and the millions of dollars they bring to Oregon. Each year, federal programs provide Oregon communities with more than \$70 million in rent assistance; this money is tied directly to specific homes by contracts. Property owners must renew those contracts as they expire, or else the assistance will be lost to the community and the state.

Preventing the loss of that irreplaceable resource will continue to require both public and private investment to renovate and upgrade many aging buildings. But the

Without rent assistance, families with the lowest incomes often pay more than half of their income in rent, forcing many to choose between paying their rent or buying groceries, medicine, and other basic necessities.

cost of not retaining these community assets would be far greater.

Preserving Oregon's affordable housing and maintaining the flow of federal funds into Oregon communities makes sense, especially at a time when resources are so scarce.

Reinvesting in existing rental homes is cost effective—about one-third less expensive than new construction—and it conserves our nation's valuable natural resources.

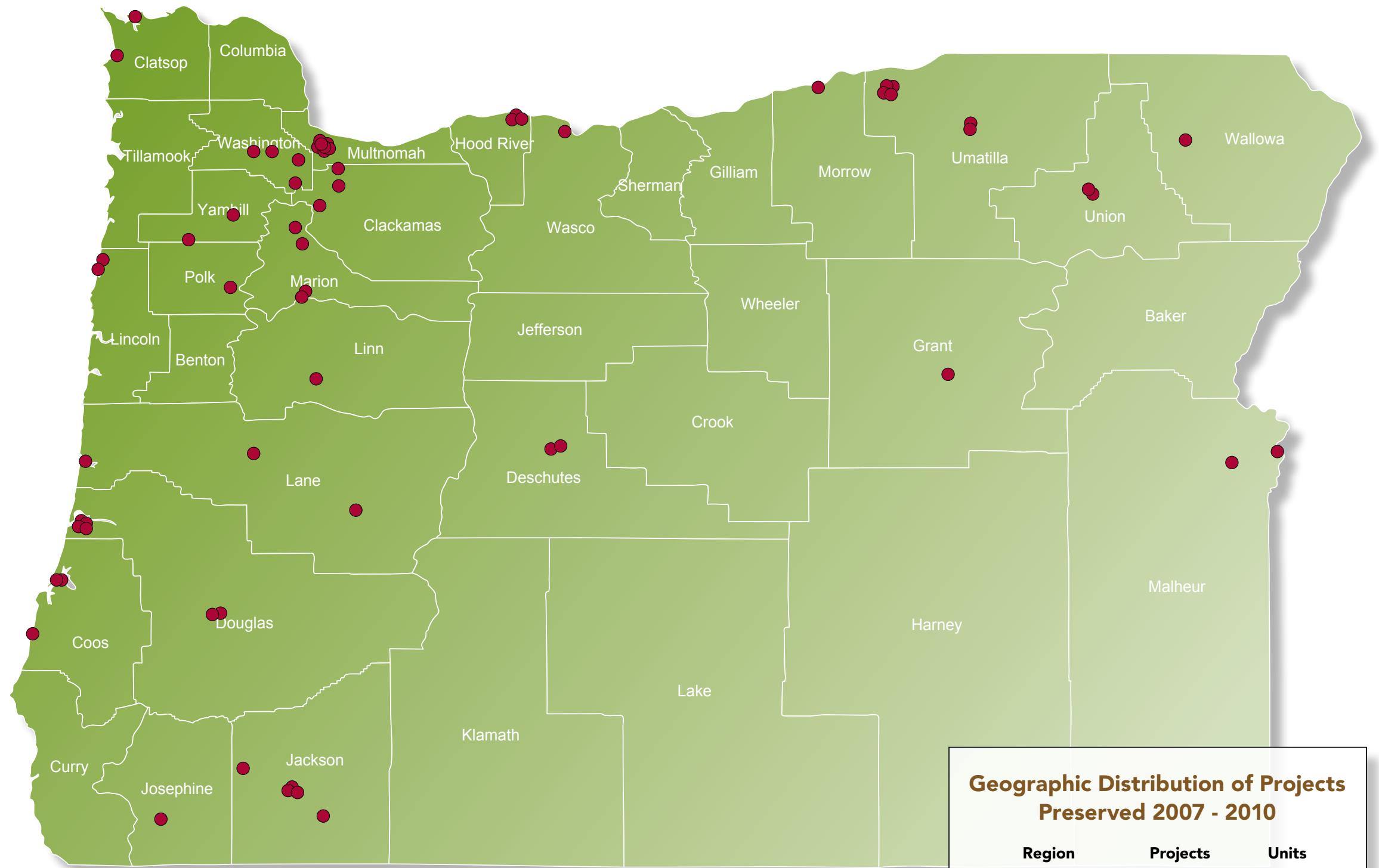
Modest investment in repair not only creates well-paying construction jobs, but also allows for simple environmentally friendly upgrades that cut operating costs and reduce energy use. It's been said many times that the greenest building is the one that already exists.



Preserved Housing in Oregon 2007 - 2010

Preserved Projects and Locations

- Stratford Apartments
- Owens Adair
- Seacrest Apartments
- Crest Butte
- Quimby Apartments
- Boardman Apartments
- Carriage Court Apartments
- Valley Village II
- Lake Empire Apartments
- Hawthorn Apartments
- The Pines
- Garden Grove Apartments
- Buttercreek Apartments
- Cottonwood I
- Cottonwood II
- Sunland Park Apartments
- Arends Place I & II
- Indian Creek Court
- Wy'East
- Grande Woods Apartments
- La Grande Retirement
- Spyglass Court
- West Devils Lake Apartments
- Villa West
- Grand Apartments
- Rogue River Estates
- Spring Street Apartments
- Seneca Terrace
- The Village
- Cascade Valley
- Cedar Grove Apartments
- Mountain View Apartments
- Fairview Apartments
- Rosewood Terrace
- Pendleton Square Apartments I
- Pendleton Square Apartments II
- Admiral Apartments
- Chaucer Court
- Roselyn Apartments
- Rose Schnitzer Tower
- Upshur House
- Uptown Tower
- Walnut Park
- Forest Hills Manor
- Ridgeway Village
- Riverside Manor Apartments I
- Riverside Manor Apartments II
- Rogue Terrace
- Brookside Court Apartments
- Ashland
- Astoria
- Bandon
- Bend
- Bend
- Boardman
- Canby
- Cave Junction
- Coos Bay
- Eugene
- Florence
- Forest Grove
- Hermiston
- Hermiston
- Hermiston
- Hermiston
- Hood River
- Hood River
- Hood River
- La Grande
- La Grande
- Lincoln City
- Lincoln City
- McMinnville
- Medford
- Medford
- Medford
- Milwaukie
- Monmouth
- Mount Angel
- North Bend
- Oakridge
- Ontario
- Oregon City
- Pendleton
- Pendleton
- Portland
- Portland
- Portland
- Portland
- Portland
- Portland
- Reedsport
- Reedsport
- Reedsport
- Reedsport
- Rogue River
- Roseburg



- Parkside Village
- Roseburg
- Sunrise Estates I & II
- The Dalles
- Sandhill Apartments
- Seaside
- Malheur Village Apartments
- Vale
- Stewart Terrace
- Sherwood
- Leisure Way
- Wallowa
- Westside Apartments
- Stayton
- Willamina Village
- Willamina
- Summerset Village
- Sublimity
- Montebello/Montecino
- Wilsonville
- Linnhaven/Stonebrook
- Sweet Home
- Park Avenue Apartments
- Woodburn

Region	Projects	Units
Coast	12	335
Eastern	18	730
Southern	8	361
Willamette Valley	16	576
Portland	7	527
Total	61	2,529

An Oregon-Based Solution: The Oregon Housing Preservation Project

In recognition of this impending crisis, a partnership of agencies and advocates came together in 2007 to take the necessary steps to preserve these affordable homes for thousands of Oregonians. This collaboration became known as the Oregon Housing Preservation Project.

The Oregon Housing Preservation Project partners and their roles:

Oregon Housing and Community Services

(OHCS) considers the preservation of federally assisted properties one of its highest priorities. This agency dedicates resources and works with property owners and preservation-focused developers to preserve as many buildings as possible.

The **Oregon State Legislature** dedicated considerable resources, including General Funds in 2007 and Lottery Backed Bonds in 2009, to help preserve affordable homes.

Charitable foundations, private lending institutions and public agencies capitalize the Oregon Housing Acquisition Fund (The Fund), which now exceeds \$30 million. The Fund finances the purchase of at-risk properties by preservation-focused buyers.



“Affordable housing preservation is important to the long-term success of our communities, and we recognize that hard choices will need to be made to get the most out of our resources and make a difference for millions of families.”

– HUD Secretary Shaun Donovan

The **City of Portland** established a goal of preserving all 12 of the city’s expiring Section 8 properties by 2013 and has invested millions of dollars as it seeks to reach this goal.

The **Network for Oregon Affordable Housing** manages the Preservation Project, facilitates several interagency working groups that seek to help streamline processes, and created and operates The Fund.

Many **private developers** acquire and recapitalize at-risk properties in order to maintain long-term affordability and renew federal rent assistance contracts.



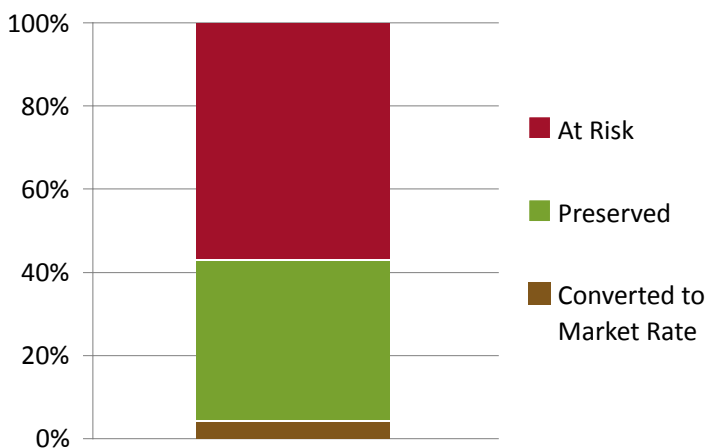
Public funds have leveraged hundreds of millions of dollars in private capital to acquire and renovate these homes and have created desperately needed construction jobs.

Results for Oregon

This unique collaboration between public and private partners created an efficient and equitable action plan. As of February 2011, more than 2,500 affordable homes have been preserved throughout Oregon. Public funds have leveraged hundreds of millions of dollars in private capital to acquire and renovate these homes and have created desperately needed construction jobs. And, over the next 20 years, these investments will keep an estimated \$280 million in federal funds flowing into the local economies of more than 40 Oregon communities while giving our most vulnerable citizens access to modest homes.

The 2,500 homes preserved by this effort so far are located in 61 recently renovated properties distributed across every region of the state: east and west of the Cascades, Northern and Southern Oregon, and urban and rural areas. In fact, three of every four preserved properties are located in small towns, many of which have been hit particularly hard by Oregon's deep recession.

Progress to Date



Our goal: preserve 6,000 at-risk units by 2015

Seacrest Apartments Bandon, Oregon

The Seacrest Apartments in Bandon, Oregon were nearly lost as an affordable housing option for families and seniors with low incomes.

Now, the property has been extensively remodeled using state and federal funds, and it's guaranteed to remain a community asset for at least the next 30 years.



Sandy O'Reilly and her canine companion, Chew Chew, enjoy the newly landscaped courtyard and the yellow rosebush she planted in memory of her husband at the Seacrest Apartments in Bandon, Oregon. The apartments, first constructed in the 1970s, recently underwent a renovation and upgrades thanks to support from the USDA Rural Development Multi-Family Housing Program and Oregon Housing and Community Services.

As a disabled senior with a limited income, Ms. O'Reilly had a hard time finding suitable, affordable housing in Bandon, a small town on the Oregon Coast. "There were other places I could go, but they were full, and we didn't know where we would end up," Ms. O'Reilly recalls.

Ms. O'Reilly and Chew Chew were fortunate to find a secure home at the Seacrest Apartments, where they have resided for the past 11 years. Thanks to funding support from the USDA Rural Development Rental Assistance Program, this and a number of other multifamily housing facilities in Oregon are able to provide subsidized housing for seniors, people with disabilities, and families with low income in small towns and rural communities.



Oregon Housing Preservation Project Partners

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

Oregon Housing Preservation Project Funders

Meyer Memorial Trust
Collins Foundation
Oregon Community Foundation
John D. and Catherine T. MacArthur Foundation
Oregon Housing and Community Services
Wells Fargo
Bank of America
J.P. Morgan Chase
Key Bank
Fannie Mae

Inter-Agency Preservation Working Group Participants

US Department of Housing and Urban Development
US Department of Agriculture Rural Development
Oregon Housing and Community Services
Portland Housing Bureau
Network for Oregon Affordable Housing

Other Program Participants

Neighborhood Partnerships
Community Alliance of Tenants
Enterprise Community Partners

There's More to Do

The Preservation Project is well on its way to achieving its goal of preserving 6,000 homes with federal rent assistance. Preserving the remaining 3,500 homes will require significant funds for repair and upgrade. By continuing our commitment, we will see hundreds of millions of dollars in additional private investment in Oregon affordable housing, secure hundreds of millions of dollars in federal rent assistance funds over the next 20 years for those Oregonians with the lowest incomes, and generate more high-quality construction jobs.

Partners in this effort are involved because we believe these are important long-term community investments. Recently, OHCS adopted a new 60-year affordability period that will apply to all new funding awards after 2012. This long-term affordability period means Oregonians with low incomes will have access to affordable housing well into the future and that the projects preserved today will continue to provide critical affordable housing for the remainder of the buildings' useful lives. Owners who accept state resources will also be required to commit to renewing their rent assistance contracts.

With a stubborn recession and historically high unemployment rates persisting throughout much of the state, now more than ever we need to preserve Oregon's affordable housing. Thousands of homes will continue to be at risk of becoming unaffordable over the next five years. We know how to preserve them. We know what works. We have the partnerships we need to succeed. Preserving these homes today makes sense for Oregon's future.

**Everyone
Deserves
Affordable
Housing**

Preserve Oregon Housing

www.preserveoregonhousing.org

Network for Oregon Affordable Housing

1020 SW Taylor, Suite 585, Portland, OR 97205 (503) 223-3211

design: tothepointpublications.com. **photos provided by:** Carleton Hart Architecture P.C., Cedar Sinai Park, Chrisman Development & Management, REACH CDC, NW Real Estate Capital Corporation, Farmworker Housing Development Corporation, Steve Bloch, Sally Painter, Jill Rees – USDA Rural Development.

