

# Oregon Housing Acquisition Project

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## News Release

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FOR IMMEDIATE RELEASE

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## **Oregon Housing Acquisition Fund Preserves Six Low Income Housing Properties** *More than 350 Oregonians to remain in their homes*

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**Portland, OR**—The Oregon Housing Acquisition Project announces the preservation of six affordable rental housing properties with expiring federal subsidies. Northwest Housing Alternatives (NHA), a Milwaukie based non-profit developer, purchased 215 federally subsidized apartments with financing made possible through generous contributions from The MacArthur Foundation, The Meyer Memorial Trust, The Collins Foundation and The Oregon Community Foundation.

“It is more and more difficult for low-income families to find affordable housing.” said Bill Van Vliet, Executive Director of Network for Oregon Affordable Housing (NOAH), manager of the newly created Oregon Housing Acquisition Fund. “We are extremely grateful to provide the means to purchase these six properties, and make it possible for these families to remain in their homes and their community.”

The six properties are located across the state: two in Portland, two in Hermiston, one in Bend and one in Medford. Each has project-based Section 8 Housing Assistance contracts through the US Department of Housing and Urban Development (HUD). This means residents at these properties pay no more than 30% of their income toward rent; the federal government pays the balance. This provides low rent to the resident, and ensures the owner is receiving sufficient income to operate and maintain the project for the long term.

One of the six properties is the Roselyn, an apartment building located in trendy Northwest Portland and home to thirty elderly or disabled low-income individuals. Built in 1919, the Roselyn is a classic three-story brick building typical of the neighborhood which has seen many such building converted to condominium. It is one of several hundred buildings across the state considered “At-Risk” of conversion to market rate units as federal rent subsidy contracts expire between now and 2013. Northwest Housing Alternatives will preserve the Roselyn by entering into a new 20-year subsidy contract with the HUD when the current contract expires later this year.

The Network for Oregon Affordable Housing (NOAH), a non-profit consortium of financial institutions, manages the Acquisition Fund which was established in 2008 with grants and Program Related Investments (PRI) totaling over \$7 million from Meyer Memorial Trust, the Collins Foundation, the Oregon Community Foundation and Oregon Housing and Community Services. On February 26th the John D. and Catherine T. MacArthur Foundation of Chicago announced Oregon had been selected to receive \$5 million in grant and Program Related Investments (PRI) through its \$150 million Window of Opportunity Initiative. These low-cost funds will leverage additional capital from participating Oregon commercial lenders bringing the revolving acquisition loan fund to an estimated \$35-\$40 million by the end of 2009. To date, two Oregon banks, Wells Fargo and Bank of America, have combined to provide \$15.8 million to help capitalize the Acquisition Fund.

Added Van Vliet, “The commitment by the philanthropic community and the State of Oregon to invest funds for the preservation of Oregon’s affordable housing is amazing. Without them we would not be able to make a difference in preserving the homes of some of our most vulnerable citizens.”

The state of Oregon has invested \$2 million in the Acquisition Fund through the Oregon Housing and Community Services (OHCS) Department. "The acquisition of these six properties is a giant step forward in the march toward preserving subsidized housing for hard-working Oregonians," stated **Victor Merced, Director of OHCS**. "My department will continue working with its exemplary partners to save affordable shelter from slipping into the high-rent market that threatens the financial standing of vulnerable families."

Last year Meyer Memorial Trust made a substantial commitment to the preservation of Oregon affordable housing – a contribution of over \$5 million in grant and Program Related Investment to the Oregon Housing Acquisition Project and Fund. “We are very pleased to be part of this unprecedented collaborative effort between public and private sectors,” said **Ann Lininger, Meyer Memorial Trust** Director for Program Related Investing and newly appointed Clackamas County Commissioner. “The Housing Acquisition Fund allows committed borrowers to act quickly when a preservation property comes on the market.”

Northwest Housing Alternatives, Inc. (NHA) is a nonprofit organization founded in 1982 to provide a range of affordable housing options for Oregonians with low incomes, including families, seniors and people with special needs. NHA, whose mission seeks to create opportunity through housing, is one of the largest non-profit housing and services providers in the state. **Martha McLennan, Northwest Housing Alternatives’** Executive Director since 2002 and has led the agency in developing a diverse portfolio of affordable rental housing properties which include a number of preservation properties. McLennan has been an active participant in the development of key strategies for preserving Oregon’s affordable housing stock.

“The Oregon Housing Acquisition Fund provided NHA access to the financing we needed to acquire these six properties at a time when the capital markets have halted most traditional lending activities. It has allowed us to take immediate ownership of the properties and provides the time required to secure resources for the needed renovation and permanent preservation” said McLennan. Last year Northwest Housing Alternatives acquired Seneca Terrace, a 32 unit Section 8 property in Milwaukie utilizing financing through the Oregon Housing Acquisition Fund.

One hundred twenty two Section 8 properties were built throughout the state of Oregon during the 1970s and 1980s using long term subsidy contracts provided by HUD and financing provided by the Oregon Housing and Community Services Department. During the same period, hundreds of additional subsidized properties were developed using rental housing programs from HUD and the Department of Agriculture Rural Development. Over the next 5 years as many as 6,000 of these apartments could be converted to other uses as their subsidy contracts expire and their mortgages mature. Preserving these properties and their federal rental subsidies has become a high priority for government agencies, philanthropist and developers of affordable housing in the state.

For more information about NOAH and the Oregon Housing Acquisition Fund, please visit <http://www.preserveoregonhousing.org/>