



## News Release

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### **Thousands of affordable rental homes to be preserved with MacArthur Foundation support**

*Salem* – Governor Ted Kulongoski announced today that Oregon was selected to receive \$5 million from the MacArthur Foundation’s \$150 million Window of Opportunity Initiative to preserve thousands of affordable rental housing units for people of modest means.

“This grant recognizes the extraordinary effort that Oregon has already made to preserve affordable rental housing in both urban and rural areas,” **Gov. Kulongoski** said. “The housing crisis has not spared our state, and I cannot emphasize enough the importance of efforts that keep Oregonians in their homes. Every Oregonian needs a safe, stable place to call home.”

Federal rent subsidy contracts covering more than 5,000 privately-owned affordable rental units in multi-family buildings across the state will expire over the next five years. A statewide group led by officials from Oregon Housing and Community Services (OHCS) and the City of Portland’s Bureau of Housing and Community Development have put together a list of at-risk properties and a strategy to preserve their affordability.

If a property owner is reluctant to continue in the housing business, the group will arrange to have the building acquired by a new owner willing to renew the federal subsidy contract. This statewide group preserved 786 units in 2008.

OHCS and the City of Portland have partnered with NOAH, the Network for Oregon Affordable Housing, a statewide nonprofit lender, to carry out the statewide preservation work. A significant portion of the MacArthur Foundation funding will be used to capitalize NOAH’s Oregon Housing Acquisition Fund that supports the preservation work. The fund was established last year with over \$7 million in low-interest-loan and grant funds provided by OHCS and three Oregon foundations – Meyer Memorial Trust, The Collins Foundation and The Oregon Community Foundation.

The MacArthur funds will leverage an additional \$10 to \$12 million in funding from other private sources to finance the acquisition of several hundred units through 2009 and 2010 alone.

**OHCS Director Victor Merced** emphasized the significance of the MacArthur Foundation award: “It is not every day that one of the world’s great foundations provides money to government. It makes me proud that Oregon was able to bring the right people to the table, define the challenge, and put together a plan that can work. The MacArthur resources will allow us to implement the strategy, for the benefit of the people.”

“I am glad that the MacArthur Foundation is focusing on the loss of affordable rental housing. It is a crisis that has been quietly building for years,” said **Portland Housing Commissioner Nick Fish**. “Preservation is a huge urban issue. In Portland today, there are 12 apartment buildings at risk. These buildings are home to hundreds of elderly people, people with disabilities, hard working families. If we don’t preserve these buildings, we are in big trouble. Not only would we lose the federal rent subsidy, but where would the tenants go? We can’t let them lose their homes.”

**MacArthur President Jonathan Fanton said**, “MacArthur’s investment will help the state harness additional private and public funds to help address the housing needs of both urban and rural households.”

NOAH recently completed financing to preserve 215 units in six affordable, expiring-use, federally-subsidized properties across the state: two in Portland, two in Hermiston, one in Bend and one in Medford. To date, it has loaned a total of \$11.5 million for the acquisition of 247 units and seven properties across the state.

The MacArthur Foundation’s generosity will help ensure the preservation of affordable rental housing for an estimated 7,200 Oregon families. The need is considerable:

- Over the next five years, federal subsidy contracts will expire on 80 percent (5,484 families) of Oregon’s privately-owned, federally-subsidized rental housing. Nearly one-quarter of these homes are located in Portland, where more than 2,700 families (or applicants) are waiting for rental assistance.
- Additionally, in Oregon’s rural areas, more than 2,700 families have lost their affordable rental housing as the result of closure of manufactured home parks. These home parks provided a less-expensive housing alternative to low-income rural families that did not have access to subsidized multi-family properties.
- Oregon’s need for affordable housing continues to escalate as more than 181,000 low-income Oregon families are currently burdened by excessively high rent – all at a time when the state and its families also face rising unemployment and foreclosures.

Given the fact that it can cost twice as much to build an affordable home as to preserve one, Oregon’s initiative to preserve affordable rental housing is critically important at this time.

Oregon Housing and Community Services is the state’s housing finance agency and community services program administrator. The department provides financial and program support to create and preserve opportunities for quality, affordable housing serving Oregonians of lower and moderate income, and administers federal and state antipoverty, homeless, energy-assistance and community-service programs.

The OHCS mission is to: "Provide leadership that enables Oregonians to gain housing, become self-sufficient and achieve prosperity."