

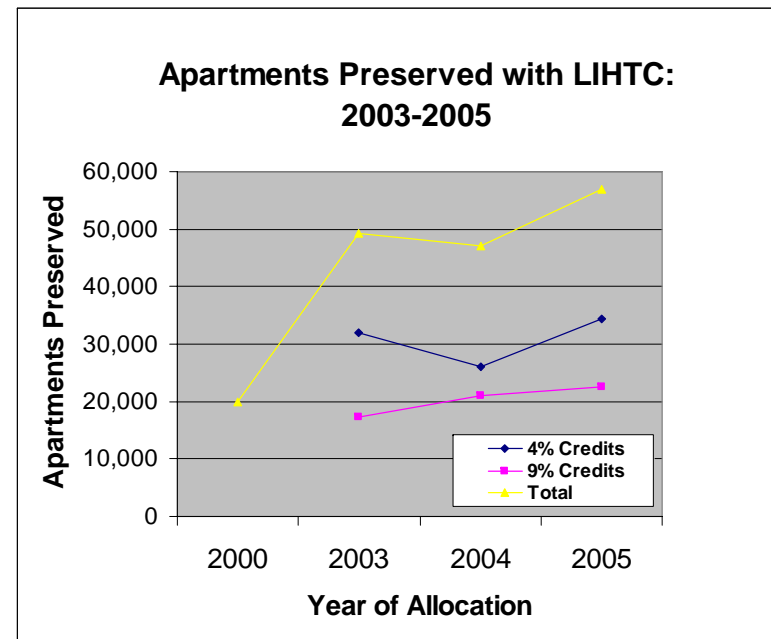


## State and Local Housing Preservation Initiatives

(Updated July 2006)

As our nation struggles to address a serious shortage of housing for low- and moderate-income individuals and families, affordable housing preservation advocates have shifted their attention to the state and local level. Incentives for the preservation of affordable housing vary widely between states, but the National Housing Trust has identified several encouraging trends. **States around the nation increasingly recognize that preservation is a common sense solution to America's affordable housing shortage, and are harnessing a diverse set of financial and regulatory tools to preserve affordable housing for future generations:**

- *More than 45 states prioritize preservation in their Low Income Housing Tax Credit allocation programs.*
- *20 states maintain competitive tax credit set-asides explicitly for preservation.*
- *A majority of states dedicate a portion of their 4% tax credits and private activity bonds to preservation.*
- *An increasing number of states have developed housing trust fund programs that finance preservation and rehabilitation.*
- *Most states provide incentives for green development, and a growing number have established green threshold requirements in their affordable housing finance programs.*
- *Most states have made a commitment to the preservation of affordable rural housing through their tax credit programs.*



These incentives have successfully encouraged developers to practice preservation: between 2000 and 2005, the number of affordable units preserved increased more than 10 times, from 5,000 apartments in 2000 to 56,870 in 2005. Please join us as we continue to advocate for resources to preserve and rehabilitate our nation's affordable housing.

**For information on specific states, please visit our website at [www.nhtinc.org](http://www.nhtinc.org). If you have information that would update or add to our state information, please contact Tracy Kaufman at [tkaufman@nhtinc.org](mailto:tkaufman@nhtinc.org) or 202-333-8931 ext. 29.**

National Preservation Initiative



# Oregon

## Affordable Housing Preservation in 2006

### Low Income Housing Tax Credits (9% Tax Credits)

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In the 2005-2006 Qualified Allocation Plan, the state maintains its 25% set-aside for preservation properties (note that the amount of 9% tax credits actually used for preservation in 2004 was 40%). Preservation properties include but are not limited to those federally financed existing properties where at least 25% of the property's apartments have project based rental assistance or are expiring LIHTC which are currently offering rents below market. Properties participating in, but limited to the following programs, are considered federally financed: HUD, USDA Rural Development, and the Federal LIHTC programs. Preservation properties also include properties participating in programs that include the replacement of existing affordable housing apartments including the HOPE VI program.

**Allocations (2003-2005)**

*Properties Preserved:* 17

*Apartments Preserved:* 1,375

### Private Activity Bonds with 4% Tax Credits

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**Allocations (2003-2005)**

*Properties Preserved:* 8

*Apartments Preserved:* 499

### State Housing Trust Funds

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The Oregon Housing Development Grant Program provides grants and loans for new construction, rehabilitation and/or acquisition of low- and very low-income housing apartments. Since 2002, this program has earmarked more than \$1 million for use in conjunction with low-interest bond financing for the preservation of affordable housing.

### Other Preservation Incentives

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**Portland**

The City of Portland requires owners to provide a 210 day notice of intention to opt out of a Section 8 contract and specifically mention that the City may issue condemnation proceedings to pay the owner fair market value if the City chooses to do so. During this time, the owner may not take action that would preclude the City of Portland from succeeding under the HUD contract or negotiating purchase of the building. The process is complex, requiring at least 2 appraisals of the property. In order to effectuate the ordinance, the City has established a Preservation Line of Credit (agreement with a local lender) that provides short-term resources to complete the transaction within 120 days.

The City of Portland prioritizes HOME, CDBG and tax increment dollars for preservation of Section 8 housing. The City is also exploring a proposed regional real estate transfer tax for preservation capital.



# Oregon

## Affordable Housing Preservation in 2006

### Green Multifamily Preservation Initiatives

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#### *Green Incentives in State Tax Credit Allocation Plan*

The 2005-2006 QAP encourages sustainability for the Consolidated Funding Cycle (which includes LIHTC) and strongly encourages sponsors to use green building and sustainability techniques. All applicants must submit an Environmental Review Form. The QAP lists Quality Development Objectives that include to facilitate development that is compatible with community and regional environmental concerns and available natural resources (e.g., available water, air quality, etc.)

#### *Other Green Incentives Relevant to Preservation*

Renewable energy systems property tax exemption, multifamily homes energy savings program, renewable energy development loans, multifamily weatherization program, solar electric buy-down program, certain localities offer water audits and free water saving fixtures, high efficiency clothes washer rebates, ULFT rebates.

*See NHT's complete Green Multifamily Working Paper ([www.nhtinc.org](http://www.nhtinc.org)) for additional details on green programs and incentives.*

### Rural Incentives

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The 2005-2006 QAP includes a 15% set-aside for USDA Rural Development funded Rural and/or Farmworker projects. The set-aside for Rural and/or Farmworker projects may be taken advantage of without Rural Development funding for the project as long as the development states a specific preference for a Farmworker population within the context of The General Explanation of the Tax Reform Act of 1986.

**PLEASE NOTE:** *Some of the information on state housing trust funds included in this report was generously provided by the Center for Community Change (Housing Trust Fund Project).*