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*Kristy Willard,
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*Shannon Vilhauer,
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*Trell Anderson -
Northwest Housing
Alternatives*

*Jessica Blakely -
Salem Housing
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*Julie Delgado, The
Urban League of
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*Aubre Dickson -
Community Housing
Fund*

Rita Grady - Polk CDC

*Andrew Heben -
SquareOne Villages*

*Erica Ledesma -
Coalición Fortaleza*

*Dominique
Merriweather - Proud
Ground*

*Erica Mills -
NeighborWorks
Umpqua*

*Margaret Salazar -
Reach CDC*

*Sheila Stiley - NW
Coastal Housing*

October 3, 2025

Brian Fjeldheim, Senior Policy Advisor
Karen Winkel, Rules Coordinator
Division of Financial Regulation
Department of Business and Consumer Services
PO Box 14480
Salem, OR 97309

RE: SB 829 Affordable Housing and Shelter Insurance Premium
Assistance

Dear Brian Fjeldheim and Karen Winkel:

I am writing on behalf of Housing Oregon and our 140 nonprofit and affiliate business members to share comments on rule making for SB 829 Affordable Housing and Shelter Insurance Premium Assistance. We were a key coalition partner advocating for the passage of SB 829 this past legislative session. Our members are building and managing affordable housing, running home ownership programs, and working on the frontlines of Oregon's housing crisis.

Housing Oregon recommends that criteria for Insurance Premium Assistance are developed around levels of property distress to aid in an equitable distribution to affordable housing owners/operators. OHCS has just developed their criteria for the Portfolio Stabilization funds distribution [available here](#). The criteria for insurance relief resources could replicate this OHCS preservation funding source. Ideally the insurance relief resources would have been a paired resource administered through OHCS in the same NOFA.

Our additional comments are based on the [draft rules](#) for SB 829 discussed at the September 24, 2025 RAC meeting. Our comments mirror those developed by one of our member organizations - Natalie Thornton with the Housing Development Center.

Program Structure

“(3) After the initial application window, the Division will review applications and make payment determinations.”

- Using an application window, after which all applications are reviewed simultaneously, is an effective way to avoid an effectively first-come, first-served process.
- We recommend that DFR consider how it will reach eligible entities across the state with information about this funding source prior to the application window opening, and how long it will publicize the availability of funding prior to the application window opening. It should consider in particular how it will reach eligible entities that serve culturally specific and/or rural populations and entities that do not currently receive OHCS funding and may not be in regular contact with the state about resources available.

Eligibility Criteria

“(5) Be registered and in good standing with the Oregon Secretary of State or OHCS, if applicable.”

- We recommend that DFR eliminate the “or OHCS” clause of this criterion.
- OHCS does not, as far as we are aware, have a definition of what it means for an entity to be “in good standing” with the Department. Interpretations of this phrase could include criteria for property financial performance or regulatory compliance. Developing these criteria would be extremely complex and significantly broaden the scope of the SB 829 rulemaking process.

Prioritization of Payments

“The Department shall prioritize applicants by properties at imminent and/or highest risk of closure.”

- We recommend changing the language to include “highest risk of default on must-pay debt and/or severe financial distress.” While some shelter and day center sites may close or reduce services if they lack the financial resources to continue operations, regulated affordable housing properties would continue to operate, but under significant constraints and/or the possibility of foreclosure. However, foreclosure is historically very rare for LIHTC properties, and not all properties carry must-pay debts. Default on debt also necessarily precedes

foreclosure. “Severe financial distress” language would allow for a broader range of financially troubled properties to be prioritized for funds.

- Signs of severe financial distress that DFR could look for in property financial statements include:
 - Depleted operating accounts and reserve accounts
 - Accounts Payable exceeding cash available (for the most distressed properties, A/P may be in the high tens of thousands or hundreds of thousands of dollars)
 - Negative Net Operating Income (NOI)
 - Mortgage maturity within 12 months with negative NOI
 - Units offline due to maintenance needs
 - In payment default on debt or on payment forbearance agreement
- We recommend that DFR consider adding additional prioritization criteria, under the assumption that properties facing imminent financial threats may still oversubscribe this resource at \$2.47MM.
 - DFR could align its prioritization criteria with that of OHCS’s Capacity Building program funded through the General Housing Account Program (GHAP). OHCS provided preference to culturally specific organizations and nonprofit organizations, among other preferences.
- We recommend that DFR consider how it will allocate funds proportionally across the state.
 - DFR could allocate the funds in proportion to the number of affordable housing units in each geographic region of the state. OHCS has this data available. We say affordable housing units, and not eligible entities, because there is unlikely to be data readily available on the distribution of other types of eligible entities given that OHCS has a smaller role in funding shelter and navigation centers than federal and local funders.

Payment Structure and Limits

“Premium assistance payments shall be capped at the lesser of (a) five percent (5.0%) of total paid insurance premiums; or (b) Twenty Thousand dollars (\$20,000) per eligible entity.”

- We recommend removing the cap on premium assistance payments to allow eligible entities to apply for and receive 100% of their annual insurance premium. Properties at risk of foreclosure need significant amounts of assistance to make meaningful progress towards preventing foreclosure

- Most eligible entities will have their assistance capped at the lower threshold of 5.0% of annual insurance premiums. For \$20,000 to be less than 5% of an annual premium, the premium would need to be over \$400,000. Few properties in the state have premiums this high. OHCS found in its operating expense study of the OHCS-funded portfolio that 2023 average property insurance premiums per unit per year (PUPY) were \$527. For the total annual premium to reach \$400,000 at an adjusted average PUPY of \$700, a property would require 571 units. In 2023, 33 properties with 200 or more units submitted operating expense data to OHCS. In contrast, 446 properties with 25 to 99 units submitted data.
- 5.0% of annual premiums is not a meaningful amount of assistance, and contrasts with DFR's goal of preventing foreclosure or closure of properties. A 75-unit property at risk of foreclosure could reasonably have operating expenses and debt service of a combined \$1,000,000 per year, and an insurance premium of \$100,000 per year. Assistance of 5% of the insurance premium, or \$5,000, would represent 0.5% of the property's operating expenses and debt service for the year.

“(2) The Department may prorate payments if total eligible requests exceed available program funds. However, full payment preference will be given to nonprofit entities.”

- We recommend that rather than prorating assistance payments, for the above-outlined reasons, the Department establish additional prioritization criteria.

Application Process

(f) Evidence of efforts to maintain, preserve, or increase existing affordable housing or shelter units

- We recommend specifying the types of efforts and evidence required to meet this requirement. Would ongoing operations be adequate as “efforts to maintain” units, and would the fact of continued operations then be evidence of such efforts? Given the scarcity of funding available for existing housing and shelter properties to improve operations and physical conditions, it may be challenging for applicants to provide evidence of efforts beyond optimization of existing operations.
- An alternative to this requirement is requesting a brief narrative from the applicant explaining the efforts to reduce risk and insurance costs to the extent possible and the efforts to stabilize the operations and finances of the given property.

“(g) Entity classification (for-profit, nonprofit, public)”

- Note that many regulated affordable housing properties are owned by single asset entities, such as Limited Partnerships or Limited Liability Companies. The entity is then owned or controlled in part or wholly by a not-for-profit or government entity, despite the property-owning entity itself having a for-profit tax status. We recommend that DFR consider the entity classification or tax status of the managing partner of such single asset entities, rather than the classification or tax status of the single asset entity itself.

Thank you for the opportunity to submit comments. If you have questions you can reach me at brian@housingoregon.org or 503-475-6056.

Sincerely,

A handwritten signature in black ink that reads "Brian Hoop". The signature is written in a cursive, slightly slanted style.

Brian Hoop
Executive Director
Housing Oregon