

DevNW

DEVELOPING THRIVING COMMUNITIES

March 2, 2023

Joint Subcommittee on Transportation and Economic Development
900 Court Street NE
Salem, Oregon 97301

RE: Support for SB 5511

Co-Chair Woods, Co-Chair Gomberg and Members of the Committee:

My name is Karen Saxe and I work for DevNW, an affordable housing development and counseling agency serving Lane, Linn, Benton, Lincoln, Marion and Clackamas Counties. Our mission is to serve low and moderate income Oregonians to increase their financial security, build assets and develop thriving communities.

We support SB 5511 and the recommended budget for the Oregon Housing and Community Services Department for the 2023-2025 biennium. Some of the programs we run, supported by OHCS, are highlighted below, along with additional investments we believe are critically important to ensuring every Oregonian has a safe and affordable place to call home.

DevNW provides financial, rental and pre-purchase education and counseling throughout our six counties, helping many low and moderate income families become first-time homebuyers. Our pre-purchase services demystify the homebuying process, help clients connect with local lenders and real estate agents, plan for those unexpected homeownership expenses and avoid predatory lending practices. One-on-one counseling sessions that ensure our clients are ready to take the step to homeownership, that their financial and credit picture make them mortgage-ready and that they've assembled a team of professionals they can trust.

Financial resources, like downpayment assistance and Individual Development Accounts (IDAs), are critically important in helping families obtain and maintain financial stability and support low-income Oregonians on their path to purchasing a home. They help us build a comprehensive suite of services for our clients in achieving both short and long-term stability, creating resilient families and communities by building financial health.

We urge your support for a funding level of \$35 million, with at least \$15 million of which dedicated to the program every biennium (POP 117).

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Despite our work, our clients face skyrocketing housing costs in all communities due to a lack of housing supply

The availability of affordable homes is also a critical component on that path. The median home price in Milwaukie is \$435,000, in Lincoln City it is \$519,000 and buyers in Wilsonville face median prices of close to \$600,000. This is not a market that provides entry for any low or moderate income family despite all of their hard work to become financially stable and mortgage-ready. Affordable homeownership development helps correct the market by providing housing options for these families.

LIFT funds are increasing the supply of affordable housing options, both rental and ownership units. DevNW has projects underway utilizing LIFT Homeownership funds in Eugene, Corvallis, Salem and Clackamas County, creating 76 new Community Land Trust homes. We thank you for your support of LIFT funds, especially the set aside for dedicated resources to homeownership. In addition to LIFT funds, we have found that the Affordable Homeownership Development Program (POP 109) is critically important in augmenting LIFT funding for homeownership development, particularly for rural and high-density urban projects in which land value (which determines LIFT funding) is lower, and **we would urge your support to increase investments into this program. The current \$5M will not be sufficient to augment the full LIFT Homeownership allocation, and ensure continued development in rural communities and higher density (townhouse, condo, etc.) projects in urban areas.**

Keeping Oregonians housed remains a central component of our work. Since 2008, DevNW has provided foreclosure prevention counseling to support homeowners facing a mortgage crisis to get on a path to stability. **The Legislature has consistently dedicated resources for foreclosure prevention counseling, allowing access to trained, certified professionals for Oregonians across the state, and we would urge your support in adding back this funding for the 2023-2025 biennium.**

We encourage your support of SB 5511, the recommended budget for OHCS for the 2023-2025 biennium and the additional resources that are critically needed in our communities. Thank you for all of your work on behalf of Oregonians.

Sincerely,

Karen Saxe

Director of Policy, Advocacy and Strategic Relationships

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