



**February 12, 2025**

House Committee on Housing and Homelessness  
Oregon State Capitol  
900 Court St NE  
Salem, OR 97301

**Re: Support for HB 3235**

**Chair Marsh, Vice-Chairs Anderson and Breese-Iverson, and Members of the Committee:**

My name is Tess Spellacy, and I am the Homeownership Program Director at RootedHomes, a non-profit developer dedicated to building sustainable and affordable homes for first-time homebuyers in Central Oregon through the Community Land Trust (CLT) model. Our shared-equity model enables homeowners to purchase a net-zero, 3-bedroom home in Bend for an average of \$250,000. After 10 years, they will have built an average of \$80,000 in equity. This is a stark contrast to the median home price of \$726,000 in Bend, offering families an affordable pathway to homeownership and the long-term stability, safety, and wealth-building that owning a home provides.

While RootedHomes provides affordable housing, our homebuyers still need to qualify for a traditional mortgage to purchase a home at a reduced price. Over my three years at RootedHomes, I have worked closely with hundreds of prospective buyers. I've seen firsthand how difficult it is for many of them to secure mortgage pre-approval, even for our affordable homes. High interest rates and the increasing cost of living are significant barriers. Funding alternative mortgage products, such as an accelerated mortgage program, will provide low-income homebuyers with access to lower interest rates. This would help them keep more of their hard-earned money long term and choose mortgage options that work best for them.

This year, RootedHomes will close 63 homes for low-income, mortgage-ready buyers who could significantly benefit from an accelerated mortgage program. Across the state, affordable housing developers are rising to meet the demand for affordable housing, but we urgently need to expand this program to serve more shared-equity homebuyers. Currently, this program can only serve 50 Community Land Trust buyers, and additional funding is crucial to meet the growing need.



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Furthermore, most of RootedHomes' homes have been built within the last two years, during a period when interest rates exceeded 5.75%. As a result, 75% of our homeowners are currently paying mortgages with interest rates at or above 5.75%. An accelerated mortgage program that allows low-income homeowners to refinance to a lower rate would enhance their financial stability and allow them to build equity more quickly. This program helps homeowners access the capital they need for a market rate purchase sooner, leading to resales that increase the turnover of affordable homes, which is essential for addressing the housing crisis in Central Oregon. By improving financial stability and mobility, this program will directly support both individual families and the broader effort to expand affordable housing.

Thank you for your time and consideration.

Sincerely,  
Tess Spellacy  
Homeownership Director, RootedHomes