

DevNW

DEVELOPING THRIVING COMMUNITIES

February 13, 2024

Senate Committee on Housing and Development
900 Court Street NE
Salem, Oregon 97301

RE: Support for SB 1530, base bill

Chair Jama, Vice-Chair Anderson and Members of the Committee:

My name is Karen Saxe and I work at DevNW, an affordable housing development and asset-building agency serving Lane, Linn, Benton, Lincoln, Marion, Polk and Clackamas Counties. I'm here today in general support of SB 1530 but also raising two requests after reviewing the -3 amendments.

DevNW provides financial and pre-purchase education and counseling to support low and moderate income families in becoming first-time homebuyers. However, the availability of affordable homes continues to be harder to find as prices climb across the state: in Salem we're seeing median sales prices over \$420,000, in Lincoln City over \$580,000 and buyers in Clackamas County face prices over \$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 corrects the market by providing housing options for these families.

SB 1530, prior to the -3 amendments, would provide much needed resources to increase affordable homeownership development across the state. Agencies like ours are currently utilizing LIFT homeownership funding to create permanently affordable homes through the Community Land Trust model for buyers at or below 80% AMI.

We saw historic investments by the Legislature in 2023 in Article XI-Q bonds to support affordable housing development through the LIFT program, but as the only source of homeownership development funding in Oregon, it does not pencil on its own for every project. Flexible homeownership development funding is critical to augment those resources, particularly for projects in high-density urban areas or rural areas where land value is lower. In 2023, 87% of LIFT Homeownership awards received a combination of the bond resources and the flexible development funding or moved with

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just the flexible development funding. This resulted in almost 300 new homes for ownership in the pipeline that otherwise would not have come to fruition. These new homes are in rural and high-density urban areas alike, from Eugene to Milwaukie, to Forest Grove to Bend to Waldport.

Affordable homeownership developers stand ready to deploy this funding. We have shovel ready projects in the pipeline that will fall apart without this flexible resource, further hampering our ability to realize our collective housing production goals across the state and limiting generational wealth building opportunities for hardworking Oregonians.

We also support the provisions of the bill for the Individual Development Account Program. The IDA program makes meaningful change in participant's lives. We see a habit of savings sustained from our graduates, setting themselves up to better weather unexpected financial expenses and ongoing financial and asset goal attainment. DevNW has supported over 1,800 individuals and families in our IDA program. Demand for IDAs far outpaces available resources and we would encourage the committee to consider matching this request to the one included in HB 4131 of \$10 million for the IDA program.

Thank you for all of your work on behalf of our communities and we encourage your support of SB 1530 with the addition of homeownership development funding.

Sincerely,



Karen Saxe

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DevNW

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