

March 26, 2019

Testimony in Support of SB 5512

Joint Ways and Means Subcommittee on Transportation and Economic Development

900 Court Street NE

Salem, Oregon 97301

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

Willamette Neighborhood Housing Services (WNHS) and NEDCO are two nonprofit affordable housing development and counseling agencies that merged as of January 1, 2019. Together we serve low and moderate income Oregonians in Lane, Linn, Benton, Lincoln, Marion, Polk and Clackamas Counties.

We believe that all Oregonians deserve a safe, stable place to call home. Together, we have developed over 400 units of affordable rental housing throughout our service area. Our residents are supported through our community health worker programming, services that help our tenants navigate resources in the community such as health care and community resources. We know the value of permanent supportive housing units in stabilizing our most vulnerable community members.

WNHS and NEDCO provide financial and pre-purchase education and counseling throughout our four offices to low and moderate income first-time homebuyers. Our classes help clients understand the homebuying process, connect with local lenders and real estate agents, plan for those unexpected homeownership expenses and avoid predatory lending practices.

We build upon this knowledge in 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. We are not alone in this work. We are part of the network of 17 homeownership centers that serve all 36 counties throughout Oregon.

Paired with education and counseling, down payment assistance is one of the greatest resources to help low-income Oregonians on their path to purchasing a home. It offers a chance to homeownership in a market that is pricing out low and moderate income families, when rising rents make it harder and harder for families – even those with stable income - to save for a down payment.

While education, counseling and down payment assistance are crucial for mortgage readiness, the availability of affordable homes is also a critical component in that path. Average home prices in Eugene are over \$300,000, up over 7% from a year ago, while buyers in Corvallis and Portland are facing prices close to and above \$400,000 with the market predicted to raise another 3% in the upcoming year. New homes being built by private developers are selling even higher than these existing homes. This is not a market that provides entry for any low or moderate income family despite all of their work to become financially stable. Affordable homeownership development helps correct the market by providing housing options for these families.

As an industry we use every option available to increase the supply of affordable housing. Community land trusts are one way we are working to get new affordable homes on the ground, homes that will remain affordable to low-income first-time buyers in perpetuity. We thank you for your support of Local Innovation and Fast Track (LIFT) funds. WNHS/NEDCO was awarded LIFT funds for homeownership in the first funding round. We are excited to break ground on two projects, one in Cottage Grove and one in Florence, this summer to provide new affordable homeownership options in these communities. We hope to have the opportunity to also use LIFT funding to develop farmworker rental housing in Polk County in the near future.

Because new development can be expensive and difficult, it's also imperative that we preserve the homes low income Oregonians are already in and keep their families stable. Opportunities to support home repair as well as foreclosure prevention counseling do just that. We see that distinct benefit and cost savings in repairing issues with current homes, especially given our rapidly aging housing stock. We also know that foreclosure prevention counseling works, families entering the Oregon Foreclosure Avoidance program come to an agreement with their mortgage servicer over 70% of the time, helping them to avoid immediate displacement into a rental market that is severely burdened or becoming homeless. *We would urge your support of foreclosure counseling funding for \$1.24m for the 2019-2021 biennium.*

Home matters to everyone! In rural and urban counties across the state, far too many of our neighbors struggle to make ends meet and find themselves choosing between paying the rent and putting food on the table. All over Oregon, families who dream of buying their first home find homeownership out of reach. **But with your support of SB 5512 and support of foreclosure prevention counseling, together we can make it possible for everyone in Oregon to have a decent, stable, and affordable place to call home.**

We thank you for all of your work to support Oregonians.

Sincerely,



Emily Reiman

CEO