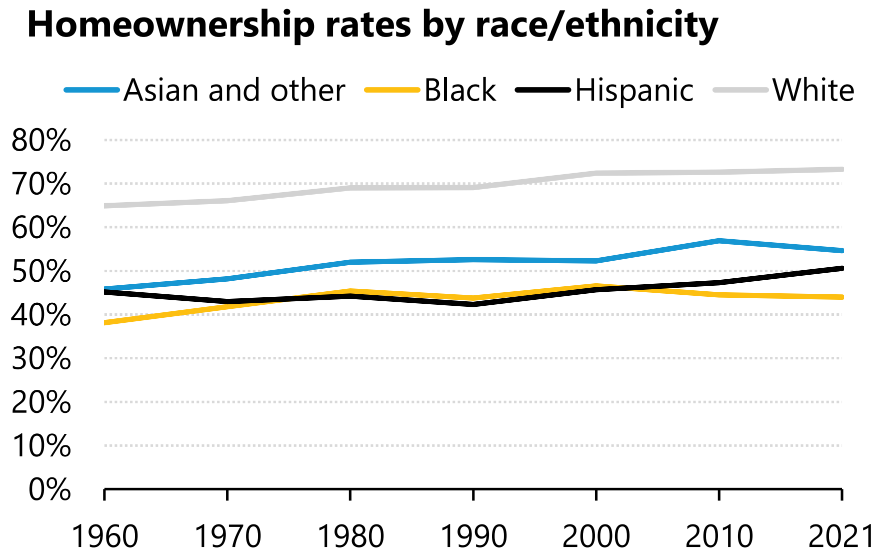
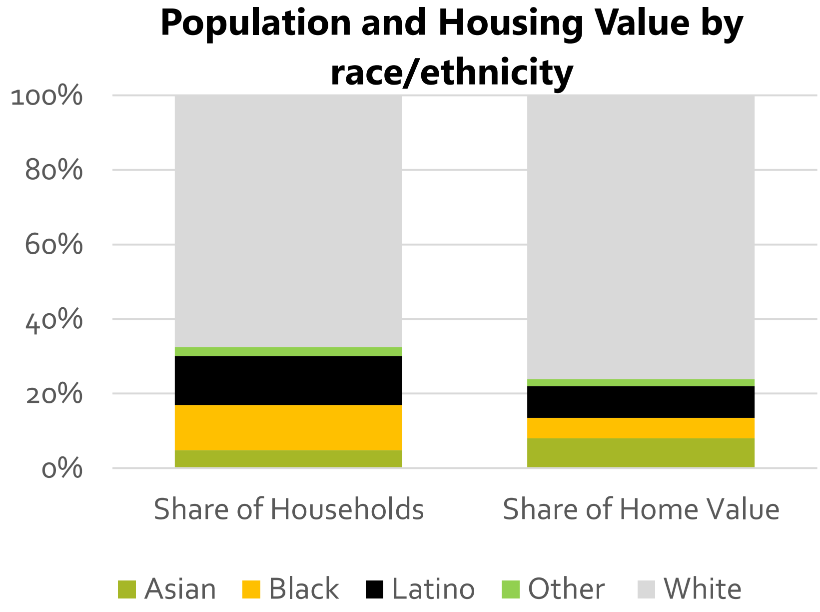
Homeownership is affordable housing.

Habitat for Humanity® of Oregon

Households of color significantly lag white homeownership rates & value

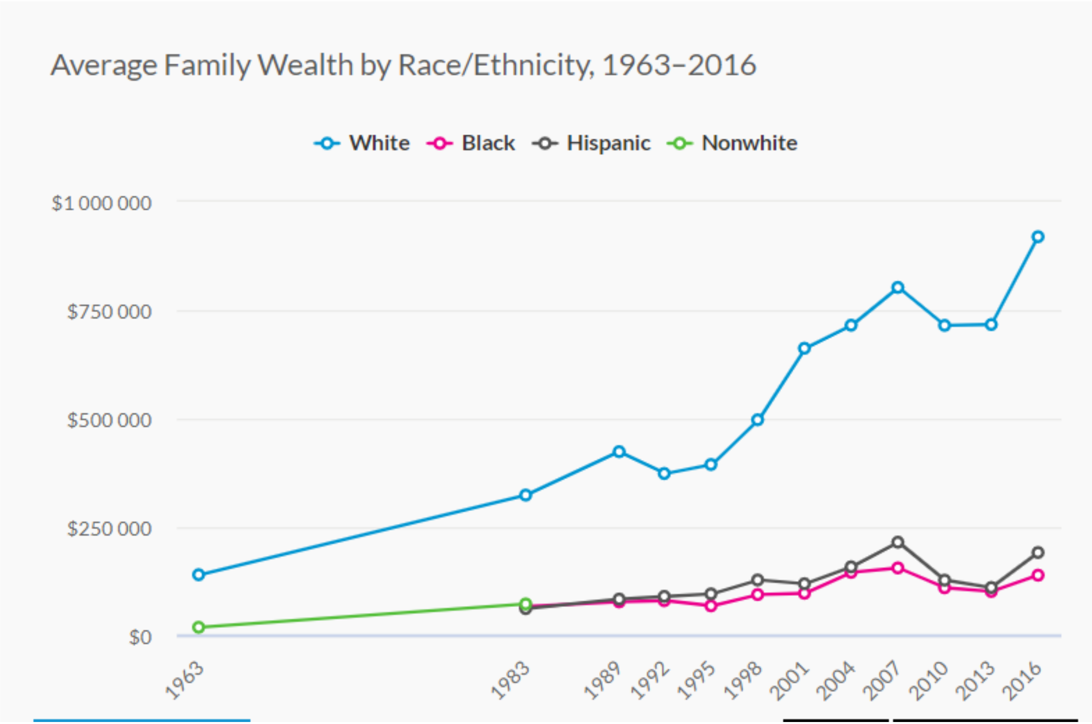


Source: US Census Bureau.



Slide Content: Janneke Ratcliffe, The Urban Institute

The homeownership gap is reflected in the wealth gap



Slide Content: Janneke Ratcliffe, The Urban Institute

The median white family has 6 times the wealth of the median Black family.

When vehicles are removed, the gap goes to 33 times.*

The median homeowner has 40 times the wealth of the median renter, and have higher net worth at all income levels.

Homeownership represents 59% of Black wealth (and only 38% of white wealth)*

*https://www.peoplespolicyproject.org/2017/09/30/without-the-family-car-black-wealth-barely-exists/; https://www.minneapolisfed.org/article/2022/how-the-racial-wealth-gap-has-evolved-and-why-it-persists#:~:text=It%20matters%20a%20great%20deal,13%20percent%20of%20the%20population.

Historic and systemic racism in access to housing and wealth-building opportunities

Racism in Housing

- Discrimination in housing was legal until 1968, contributing to today’s disparities
- Federal homeownership policy post WWII mostly benefited white households.
- Practices such as redlining, racial covenants, and blockbusting segregated neighborhoods. Segregation persists; Black neighborhoods are less resourced.
- Renters of color are more cost burdened, less likely to receive responses to inquiries, are shown fewer units, and faced with higher deposits.

Racism in Related Spheres

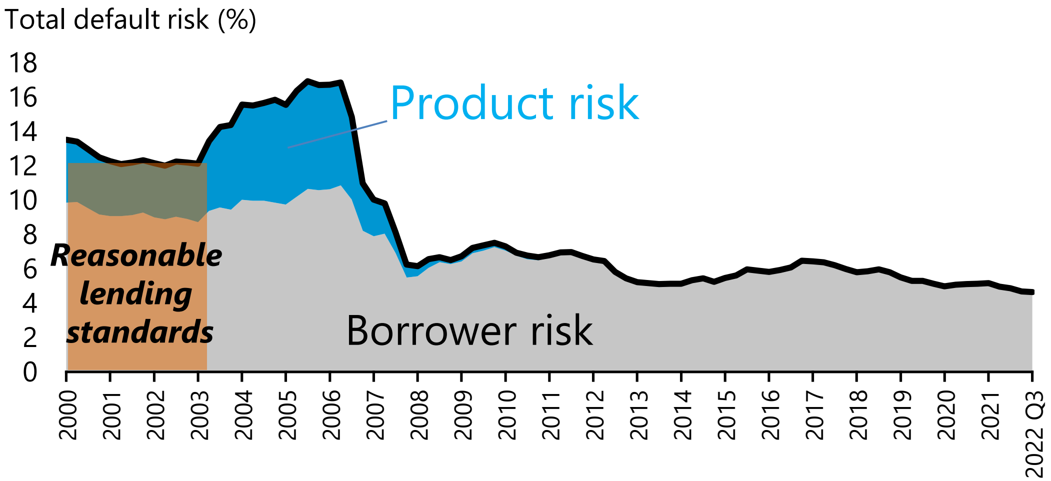
Overall racism across many domains has made it more difficult for Black households to earn high incomes, access safe credit, and build non-housing wealth:

- Racial discrimination and occupational segregation persist *in the labor market.*
- Systemic racism in *access to financial services* meant households and communities of color had to turn to riskier sources that didn’t build wealth and credit.

Slide Content: Janneke Ratcliffe, The Urban Institute

Mortgage credit is too tight, shutting out an estimated 1 million potential new homeowners each year

Lending standards remain far tighter than the reasonable lending standards of 2001-2003.



Sources: eMBS, CoreLogic, HMDA, IMF, and Urban Institute.
Note: Default is defined as 90 days or more delinquent at any point. *Last updated December 2022.*

Slide Content: Janneke Ratcliffe, The Urban Institute

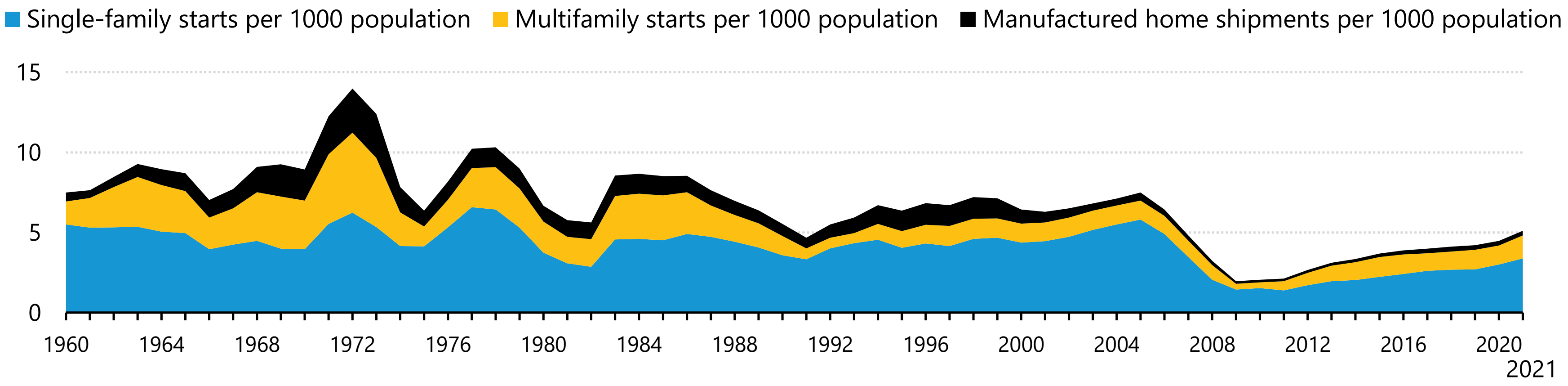
Proven Oregon strategies expand homeownership access

- Homebuyer Education
- Oregon IDA Initiative
- Targeted Down Payment Assistance
- Below Market Rate Mortgage Financing

Constrained supply hampers homeownership affordability

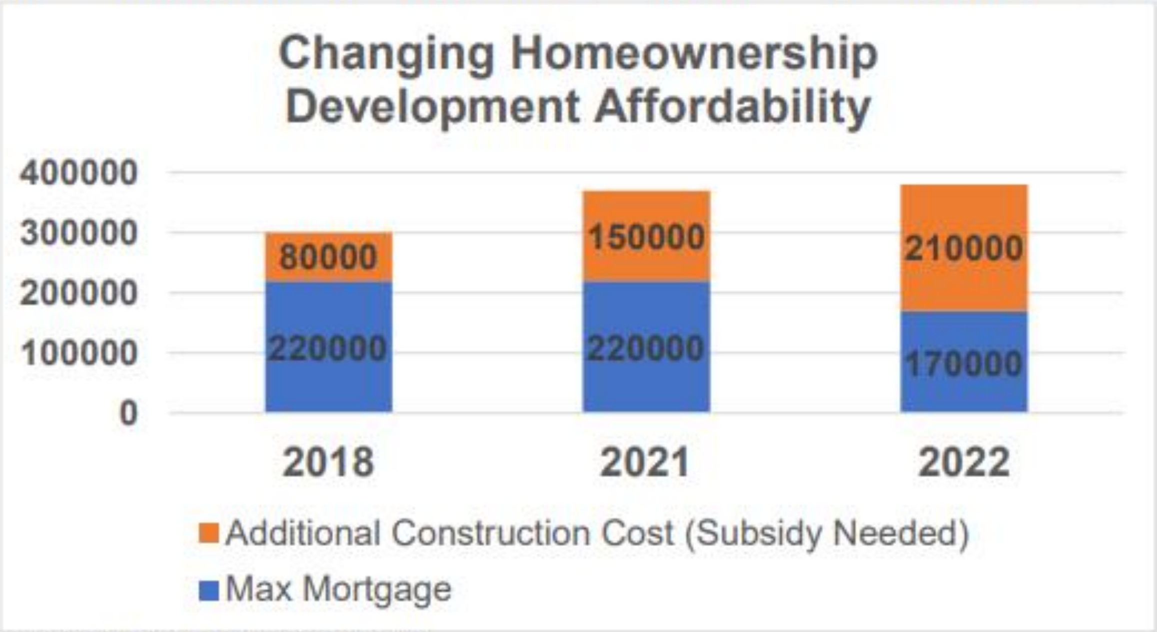
- Freddie Mac, 2021: Shortage of 3.8 million units
- NAR: 5.5 million fewer units built from 2001-2020 versus 3 prior decade per annum average

Population-Adjusted Housing Production



Slide Content: Janneke Ratcliffe, The Urban Institute

Figure 1: Changing Homeownership Development Affordability 2018–2022



Source and Data: Emily Reiman, DevNW

A homeownership development formula that works: pairing LIFT for Homeownership with general funds

Earlier this month, OHCS approved

- $32.4 M in Article XI-Q Bonds
- $32.6 M in general funds
- Building at least 330 homes
- Reaching rural, suburban and urban Oregon communities

Affordable homeownership benefits future generations:

- Families accrue intergenerational wealth
- Kids’ health outcomes improve
- Higher school performance
- Kids more likely to become homeowners

Call to Action:

- Support the important work of homeownership centers
- Allocate significant general funds to pair with LIFT for Homeownership (1:1 works best)
- Fully fund the Oregon IDA Initiative
- Continue to provide robust funding for down payment assistance to culturally responsive organizations

Sources:

Janneke Ratcliffe, VP Housing Finance Policy Center
The Urban Institute

Joint Task Force on Addressing Racial Disparities in Home Ownership: Final Report and Recommendations, October 2022

Thank you!