

March 1, 2023

Senate Committee on Housing & Development
Oregon State Legislature
900 Court Street NE
Salem, OR 97301

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

My name is Tess Freeman and I am the Homeownership Program Manager for Kôr Community Land Trust. I would like to express our support for SB 937, which would make necessary changes to Oregon law to further address racial disparities in homeownership.

Kôr is a non-profit that provides environmentally sustainable and permanently affordable homeownership opportunities for low-income buyers in Central Oregon. Kor builds net-zero, permanently affordable communities through the Community Land Trust. In parallel, Kor works with these populations to ensure mortgage-readiness and support them after they purchase their home through post-purchase workshops.

Kôr is committed to providing equitable access to its healthy homes to those who have been excluded from the opportunity to build wealth through homeownership through culturally responsive outreach and programming. Therefore, Kôr has committed to programmatic strategies and community design that break down homeownership barriers to its priority population - Black, Indigenous, and People of Color (BIPOC) households, earning less than 80% AMI, with family housing needs. SB 937 would be another step towards breaking down homeownership barriers for Kôr's priority populations.

SB 937 is of one of these eleven proposals. The bill is small in size, but its impact is a great step in the right direction towards ensuring affordable homeownership options. SB 937 would specifically provide low interest rates at terms of 20 years or less to low-income, first-time homebuyers through a revolving loan fund program. Loan funds would be focused on buyers of a share in a limited equity cooperative, community land trust, or similar deed-restricted model.

Right now, Kôr's Homebuyers are subject to high interest rates or they need to pay points to lower their interest rate which subjects them to high closing costs. Both of these factors impact the ability for Kor's homebuyers to close on their home. By creating a loan product with lower interest rates and a 20-year mortgage Kor's Homebuyers would have lower monthly payments and gain more equity through the principal paid on their loan. This would enable Kor's priority populations to be more likely to afford a home and enable families to gain more generational wealth in a shorter amount of time.

We recommend your support of SB 937. Thank you for your time and service to our state.

Sincerely,

Tess Freeman
Homeownership Program Manager for Kôr Community Land Trust