



DEVELOPING THRIVING COMMUNITIES

March 3, 2025

House Committee on Housing and Homelessness
900 Court Street NE
Salem, Oregon 97301

RE: Support for HB 3503

Dear Chair Marsh, Vice Chair Breese-Iverson, Vice Chair Andersen 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 and Community LendingWorks, our affiliate Community Development Financial Institution. We support HB 3503.

Based on conversations with the Housing Authority of Clackamas County, our goal is to create up to 70 new permanently affordable Community Land Trust homes for low- and moderate-income first-time homebuyers over the 2025-2027 biennium.

Community Land Trust developers, including agencies like DevNW, Proud Ground, Habitat for Humanity and others, will be able to buy batches of homes from the Housing Authority. The homes will receive any necessary rehab-such as a roof replacement or ductless heat pump installation, to ensure mortgage financing requirements.

During this time, prospective, income-qualified homebuyers will receive homebuyer education and counseling to ensure that they're ready to take the step towards homeownership and that their financial and credit profile ensure their mortgage readiness. We anticipate that priority will be given to current residents of the home, residents within the Housing Authority's other sites and survivors of the 2020 wildfires that are still on their path to recovery. Homebuyers will secure outside mortgage financing, from banks, credit unions or through the Amplify Oregon program. At the time of the purchase by the homebuyer, the home will be converted to a Community Land Trust-secured with both a deed restriction and ground lease.

Currently, there is no public funding available to convert an existing home into a permanently affordable Community Land Trust.

Based on current valuations, we anticipate the average home cost to be around \$400,000- including acquisition, rehab and holding and one-time conversion costs. After the addition of other subsidies, including federal energy-efficiency funding, we anticipate a gap of around \$60,000/home to get to a proposed average sales price of \$275,000, which would be affordable



DEVELOPING THRIVING COMMUNITIES

to a family of 4 at 80% AMI in Clackamas County. HB 3503 would provide this critical gap funding.

We are greatly appreciative of the leadership at Clackamas County to prioritize opportunities for first-time homebuyers. Almost 90% of the homes are within the Metro UGB, located close to schools, jobs, parks and shopping centers. We are excited at the chance to support conversion of these into affordable homes in perpetuity.

We know that Housing Authorities and other nonprofit affordable developers across Oregon are actively exploring the disposition of their single-family portfolio and believe this could be a demonstration project for other communities.

Solving our housing crisis requires multiple approaches and we believe this project would quickly preserve these homes into the much needed affordable homeownership stock in Clackamas County.

Thank you for your time and we urge your support of HB 3503.

Sincerely,

A handwritten signature in black ink, appearing to read "KSaxe".

Karen Saxe
Director of Policy, Advocacy and Strategic Relationships
DevNW