



ROOTEDHOMES
BUILDING SUSTAINABLE COMMUNITIES

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ROOTEDHOMES.ORG

March 27, 2025
House Committee on Housing and Homelessness

To: Joint Committee on Ways and Means Subcommittee on Transportation and Economic Development

Re: Support for HB 5011

Dear Chair Gomberg, Chair Woods and Members of the Committee:

My name is Tess Spellacy, Homeownership Program Director for RootedHomes, and I am writing to urge your strong support for HB 5011, particularly the components designed to increase affordable homeownership supply, access and stability.

We thank Governor Kotek for prioritizing general fund investments targeted to increase access to homeownership in her recommended budget. These proven homeownership programs will:

- Ramp up the production of entry-level homes statewide; and
- Increase access to homeownership, especially for first-time and first-generation homebuyers.
- Work to close the racial wealth gap, where currently there is a 15 percent homeownership gap between white households and households who identify as Black, Indigenous, Hispanic/Latinx and other communities of color.

RootedHomes provides environmentally sustainable and permanently affordable homeownership opportunities for Central Oregon families. We serve Deschutes, Jefferson and Crook Counties, developing and selling permanently affordable Net-zero homes to families earning 80% or less of the area median income (AMI). RootedHomes has 80 homes under construction in Bend and Redmond and another 90 homes in the pipeline for Redmond and Prineville. All of these projects are dependent on funds that would be supported through HB 5011.

- **POP 518: This \$16.9 million investment in the Homeownership Development Incubator Program** will expedite entry-level homeownership production by covering pre-development costs, including plans and permits; support construction of homes affordable to middle income households, earning 80-120 percent of the area median income (AMI); stimulate entry-level homeownership production in rural Oregon; and expand culturally responsive homeownership opportunities, including on sovereign tribal lands. RootedHomes regularly uses this funding source to build affordable housing.
- **\$100 million in Article XI-Q Bond proceeds will support LIFT Homeownership**, expanding permanently affordable homeownership opportunities for Oregon households



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who earn up to 80 percent AMI. This program stimulates the rapid development of multi-home sites, with homes ready for sale within 36 months of receiving a funding reservation. Recent program improvements will ensure that this supply accelerator will function as intended to stimulate rural homeownership development, as well as denser urban developments. This is the primary funding source for all of RootedHomes' communities and without it we wouldn't be able to continue to bring affordable housing to Central Oregon.

The following POPs included in HB 5011 expand access to first-time and first-generation homeownership:

- **POP 522: \$30 million in Down Payment Assistance for Culturally Responsive and Rural Organizations** will enable organizations to open the door to homeownership for an estimated 1,100 first-time and first-generation homebuyers. During prior budget cycles, the state of Oregon relied on document recording fees to fund most of our state's down payment assistance. Due to the high interest rate environment and record-low real estate transactions, document recording fee receipts are at an all-time low. Down Payment Assistance is crucial for RootedHomes to make our homes more affordable to homebuyers earning 40% - 60% AMI.
- **The Oregon IDA Initiative** is another critical entry point for would-be Oregon homebuyers. At RootedHomes, closing costs are high. Our homebuyers utilize IDA accounts to pay for closing costs. Without this funding source our homeowners would face even greater barriers to acquiring an affordable home. We urge you to ensure stable, ongoing funding for this impactful matched savings and education program, as proposed in HB 2735 (or HB 3809).

POP 525 is also crucial to ensure homeowner stability by providing \$2.5 million in funding for existing foreclosure prevention counseling providers.

We urge you to advance homeownership supply, access, and stability in the coming biennium through these targeted investments. **Together, we can open the doors to homeownership for thousands of Oregonians, close the racial wealth gap, and build a more equitable future for our state.**

Thank you for your consideration and service,

Tess Spellacy,
Homeownership Program Director for RootedHomes