

February 23, 2015

Chair Alissa Keny-Guyer
Members of the House Human Services and Housing Committee
900 Court Street, NE
Salem, OR 97301

Subject: Support of HB 2564

Dear Chair Keny-Guyer and Committee Members:

Willamette Neighborhood Housing Services urges your support of HB 2564. This bill is important because local governments should have the option of using inclusionary zoning as one tool among many in efforts to address the housing needs of their residents.

Why is affordable housing important?

Willamette Neighborhood Housing Services is a nonprofit developer and manager of affordable housing. Over the years we've developed 22 properties in three communities in Benton and Linn Counties. These properties provide homes to 424 families – that's about 1,100 people, over half of whom are children and seniors. We do this work because we know that home matters. It matters because:

- Hard working families should be able to pay the rent and put food on the table.
- Children do better in school when they have a decent, stable home.
- Our health is impacted by the quality of the home and neighborhood in which we live (i.e., housing is a "social determinant of health").
- An affordable home is key to a more prosperous future.

Although WNHS is proud of what we've accomplished as an organization, we also know that available resources come nowhere near allowing us to address the need. For instance, consider the numbers for Corvallis alone: There are 4,750 renter households (about 11,000 people) in Corvallis that pay more than half of their monthly income on housing.¹ Imagine the impact on a family's well-being when half or more of their entire month's income is gone a few days into every month.

Homeownership is especially important to low-moderate income families

Most of us know from our own experience what studies² have verified: Homeownership is a stabilizing force in our families, neighborhoods, and communities. Children do better in school, families are healthier, and families tend to stay put longer and become more involved in their community when they own their own home – and that's good for all of us.

Homeownership is also a long term investment that helps families weather economic ups and downs. Fixed rate mortgages help keep housing costs more predictable and stable over time, a fact that is

especially important later in life when many of us live on fixed incomes and cannot handle increases in rent. Home equity is particularly important in retirement when paying off the home mortgage can make retirement income stretch even further.

Homeownership can help address growing racial disparities in wealth

Over the past 30 years, the racial wealth gap has been increasing, not decreasing. In 1983, average family wealth for whites was roughly five times that of African-Americans and Hispanics. It grew to roughly six times that of African-Americans and Hispanics by 2010.³

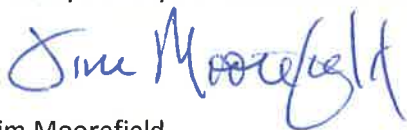
What is driving this growing disparity? As you would expect, primary factors include family income, unemployment, college education, and the capacity of families to transfer wealth through inheritance and gifts. But the largest driver of all is the number of years of homeownership, which accounts for more than a quarter of the current difference in household wealth between whites and nonwhites.⁴

Obviously this is a national challenge and is one that becomes more urgent every year as our nation, and Oregon, become more diverse. But it's a challenge that must be addressed at the local level as well, since housing is by definition a local resource. Again using Corvallis as an example, it's clear we're not well-positioned to make a positive difference, because right now there are only 14 homes listed for sale in Corvallis for under \$200,000. How does a low-moderate income family buy their first home when opportunity is so limited? How does a community like Corvallis do its part to address racial disparity in homeownership when "starter homes" in Corvallis are almost non-existent?

Why is inclusionary zoning important?

Housing affordability, opportunities to own a home, family prosperity and racial wealth disparity are all important, complex issues. Complex enough that there is no one solution and we must take a "toolbox" approach to addressing them. In that context, inclusionary zoning is just one tool among many. Just as clearly, inclusionary zoning will not be the right tool to use in every community. But shouldn't each community get to make that decision? HB 2564 will restore local control and allow communities to decide for themselves if inclusionary zoning is right for them.

Thank you for your consideration of HB 2564.



Jim Moorefield
Executive Director

Sources:

¹ City of Corvallis Consolidated Plan

² NeighborWorks America (www.nw.org)

³ The Urban Institute (www.urban.org)

⁴ "The Roots of the Widening Wealth Gap: Explaining the Black-White Economic Divide." Shapiro, Meschede, and Osoro, February 2013, Institute on Assets and Social Policy, Brandeis University.