



# Portland Community Reinvestment Initiatives Inc.

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## TESTIMONY IN SUPPORT OF HB 3082 SENATE COMMITTEE ON HUMAN SERVICES AND EARLY CHILDHOOD MAY 5, 2015

Chair Gelser and Committee Members:

I am Maxine Fitzpatrick; the Executive Director of Portland Community Reinvestment Initiatives, known as PCRI.

I am pleased to be here this afternoon to testify in support of HB 3082.

I am also deeply appreciative of Rep. Frederick's sponsorship and Sen. Shield's co-sponsorship of this bill, and for the nearly unanimous support of your colleagues in the House. Their support of HB 3082 recognizes the importance of homeownership, and the effectiveness of programs that PCRI and other organizations provide to assist families to achieve those goals. By adopting this small change to statute, you will allow local jurisdictions to remove a barrier that currently exists for nonprofits whose residents are ready to move up and out of affordable rental housing.

John just described the details and effect that adoption of HB 3082 would have, I would like to let you know the difference that can make for families that PCRI serves.

With over 700 units of affordable housing, PCRI's unique mix of single-family rental homes, small multi-plexes and community apartments represents one of the last stable opportunities for low-income households, particularly African Americans, to remain in their historic North and Northeast Portland neighborhoods. PCRI rental homes and apartments are woven into the fabric of N/NE Portland neighborhoods and are a model for eliminating concentrations of poverty.

Included in PCRI's portfolio are 371 single-family rental homes that are uniquely suited to preparing families to move forward - from stabilizing in affordable rental housing to working through the steps to become homeowners. Over the several years that it will take for the family to adapt to a secure job, participate in home buying classes, strengthen their credit score, be pre-qualified for a loan and search for a home, we expect their household income will stabilize and rise so that they can save a down payment with matched savings programs.



*"Meeting the affordable housing needs of the community"*

Under the existing rules if this family's income rises even one dollar over 60% of area median income, currently \$44,100 for a family of four in Multnomah County, that rental home no longer qualifies for the nonprofit affordable housing property tax exemption, and PCRI receives a property tax bill. Because of rapidly escalating property values in the neighborhoods where we work, that bill can be as high as \$4,000-\$5,000 for just one home.

PCRI does not raise the family's rent to pay the tax bill because that works against the self-sufficiency goals that our affordable housing promotes. This means that PCRI must pay the bill from resources that could otherwise provide self-sufficiency programs to more families.

These are families like:

Ms. **Rachel Allen** a former PCRI rental housing resident who participated in homebuyer education and wanted to buy a home close to family, in her community, with a short commute to work. There were times when she wondered if she would have to move far away from NE Portland, a place she lived in for many years, had raised her family and worked in order to afford a home. But with patience and persistence she found and purchased a home for her family in her Northeast Portland neighborhood.

And **Joshua LaRose** who lived in a PCRI rental home for two years as his family received help to navigate the complicated path to ownership. Mr. LaRose summed it up this way: "I am no longer paying someone's mortgage with my rent payments. Now I am paying my own mortgage and adding value to my own net worth."

Jurisdictions across the state that are experiencing rapid growth, low market-rate rental vacancy, and displacement pressures on their affordable rental housing want nonprofit housing providers to assist families to stably transition to market housing and/or be able to buy a home. HB 3082 is a step toward the creation of more inclusive, stable communities and both the City of Portland and Multnomah County have provided their testimony in support of the bill.

In conclusion, I want to strongly urge your support for HB 3082 and commend your work to assure that all Oregonians have access to housing they can afford in order to be successful in school, at work, and as community members. They need and will have our support as they transition permanently up and out of poverty.

Thank you.

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