

Testimony for the **Senate Human Services - Hearing on SB 1533 (Regarding IZ)** --
February 1, 2016

Hello, I am Diane Linn, Executive Director at Proud Ground; we create permanently affordable homeownership opportunities for working families. I am also former the Multnomah County Chair and Commissioner and served at the local government level for over 14 years.

Today I am also representing the leadership group of the Inclusionary Zoning Coalition that includes OPAL, 1000 Friends of Oregon, Oregon ON and Proud Ground. I am proud to work with I work with a broad coalition of stakeholders, including housing and land use advocates, racial, social, local governments, senior citizen groups, environmental justice organizations, labor groups, environmental organizations and progressive developers, faith based groups, and the Oregon Housing Alliance. ***These groups consist of tens of thousands of Oregonians across the state, including many residents struggling to afford homes.***

The Need for Affordable Homeownership is a critical component of a forward-thinking affordable housing strategy. While the Portland region's home prices have increased significantly over the past decade, household incomes have not kept pace.

Between 2000 and 2004, the housing market saw a sharp increase in rental and home prices, but only a small increase in median family income:

- 29%: increase in median family income
- 77%: increase in single-family home prices
- 79%: increase in median apartment rents, which put more pressure on the demand for homes for sale.

Attaining homeownership is increasingly difficult for middle-income households. (Since 2000, household incomes in the Portland Metro region have shifted slightly downward.)

- Just 7.3% of all homes sold in the Portland Metro region in 2014 would have been affordable to lower middle-income households (\$35,000 - \$47,000 annual household income). That's just 2,309 homes, compared to 48,000 households in that income bracket.
- In 2014, 34% (2,500) of homes listed for under \$200,000 were sold to cash offers. To evaluation the Impacts of Homeownership In Summer 2015, Proud Ground worked with DHM Research to conduct a survey of 68 Proud Ground homeowners.

- Financial stability is a key benefit of homeownership. Proud Ground tracks wealth accumulation among all homeowners.

As of 2015, homeowners who have lived in their homes at least 10 years have earned an estimated average of \$60,000 in equity in their home.

- 51% of homeowners feel homeownership has positively affected employment outcomes. Two aspects of employment that have positively changed include pay increases or bonus (71% of those feeling their situation has improved) and additional job responsibilities/duties (also 71%). 47% have pursued additional education or workforce training since becoming a homeowner.

- About 28% of homeowners attribute physical and emotional health benefits to their homeownership.

- Almost half of Proud Ground homeowners with children feel homeownership has positively affected education outcomes.

- 78% of respondents cited an increase in neighborhood connectedness and sense of community as a result of homeownership. About 40% had participated and given back to family or community since becoming a homeowner.}

Inclusionary zoning, while not the only tool, could be hugely impactful in the opening the door to more hard working families. In several jurisdictions, IZ is the only way Habitat homes and permanently affordable homes (CLT) are being developed.

All we were asking for is for the state to step aside and allow local governments to develop policy using the best practices available to create potentially hundreds more unit of affordable housing in this state.

The sideboards in the bill that almost passed last session are workable and now that the rental component has been added the impact could be make a real difference.

There has been an indebt study conducted by Cornerstone Partnerships of over 100 different inclusionary programs (out of more than 500 nationally), that can help shape our policy here. Now is the time! Remember this is about control, creativity and partnerships at the local level to achieve justice and support for the people of this state. Please join the champions in this body to once and for all remove the ban on this tool statewide. Oregon is in crisis – we can do better and we must - thank you time and for your service!