

To: Senate Human Services & Early Childhood Committee

From: Russ Dondero, 1506 Limpus Lane, Forest Grove, OR

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Testimony in support of SB 1533

Dear Chair Gelser and members of the Human Services & Early Childhood Committee

Washington County's Housing Crisis

Like the rest of Oregon, we have an affordable housing crisis in Washington County that requires multiple tools to address this crisis and to reverse housing segregation based on income inequality and/or gentrification.

SB 1533 and **HB 4011** will give us a "local option" tool to respond to this crisis by allowing **IZ** to open the housing market up for affordable housing for low-income Oregonians who earn at the 50% or below MFI annual income level.

Here's the facts on Forest Grove where I've lived for 42 years.

Forest Grove's Housing Crisis:

- 21% of FG residents live below the poverty line;
- 57% of public school students in FG get free or reduced lunches;
- 40% of all employment in Washington County is in "lower wage" jobs;
- A web search of HOME *LowIncomeHousing.us* found no *listings in the county or FG*;
- If you pay more than 30% of your income for housing you are at risk of homelessness due to a job loss or major medical emergency

Washington County like other metro counties faces gentrification and low vacancy rates in rental and owner occupied housing.

The county housing authority has a waiting list of 5000 – which means a 5 year wait for those on that list...

Sadly Washington County has a housing capacity gap of 14,000 units (supply less than demand). This fall we had to return \$221,000 in federal homeless grant funds because there was not enough rental housing available.

Despite Washington County's reputation as the economic engine of Oregon, the gap between the "haves and have-nots" grows exponentially putting more county residents at risk of homelessness.

As a member of our county's **Homeless Advisory Plan Committee** since 2009, I hear heart-breaking examples from county service providers about at risk children, victims of abuse and the elderly poor.

Lower income employees in Washington County, 40% of our county workforce, are a job loss or major medical emergency away from homelessness.

We have a huge hill to climb to meet the current need for affordable housing in Forest Grove, Washington County, Oregon and the USA.

This hill is made higher to climb by those in the real-estate and home builder lobby when they try to distract us from the capacity shortage by claiming Oregon's historic land use law is the culprit which puts people on the edge of homelessness. Nothing could be further from the truth.

Senate Bill 100 was designed to protect prime farm and timberland while encouraging growth with existing UGBs.

To suggest that land use planning is an impediment to building affordable housing is to suggest that homebuilders on their own would construct affordable units if only given access to more land. However, there is no evidence for such a claim.

Throughout Washington County the private sector has built nothing but high-end housing from North Bethany to Orenco Station. When one allows the market to decide we get the familiar pattern of suburban sprawl.

The prime movers of affordable housing in Washington County have been our county housing authority and its partners in the non-profit sector. Sadly, there are few for profit developers willing to enter this market because the financial packages are so complicated.

A dirty little secret in this game of avoidance by market-based developers is that their equity partners – banks too big to fail and other equity lenders demand a 20% return on investment. This makes it exceedingly challenging to make market based housing affordable for those in the 50% and under of MFI.

This is why Oregon needs more financial tools to stimulate growth including IZ to create competition in a marketplace dominated by a one-size fits all mentality. Realtors and developers praise competition in name but produce a product for one-market only – high-end buyers.

Only when we open up this closed market will anything change. That's why SB 1533 and its counterpart HB 4001 are so critical.

At the rate of @ adding 120 affordable units per year it will take the county 116 years to close the 14K gap – which is why we need a collaborative plan at all governmental levels along with public/private partnership to address our housing gap...

As a long time citizen advocate on affordable housing, I join with others to support SB 1533 and HB 4001.

Sincerely,

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