

COMMUNITY ACTION TEAM, INC.

"BUILDING BRIDGES TO SELF-SUFFICIENCY"



March 8, 2017

Rep. Allissa Keny-Guyer, Chair, House Committee on Human Services and Housing
Oregon State Capitol
900 Court St NE, H-272
Salem, OR 97301

Re: Support for HB 2570

Dear Chair Keny-Guyer,

Please allow me to convey my support for House Bill 2570 and add an explanation of its importance in the smaller communities where I spent my career. During my 32 years at Community Action Team (CAT), my responsibilities included all community development work, including housing advocacy, single-family rehabilitation, multifamily rehabilitation, weatherization, public infrastructure (streets, water and sewer projects) as well as community facilities: like Head Start centers, food banks and senior centers.

In my last five years, I was CAT's Executive Director, adding responsibility for the agency's service programs from Head Start to the homeless programs. Along the way, I have been privileged to work on solutions to both poverty and housing.

One of my jobs was to explain why CAT was in the housing business. The short answer is that the incomes of the bottom 40% of American households have been dropping for 40 years. The private market has been unable to adjust housing costs to meet the needs of this challenged demographic.

Among our solutions has been the creation and preservation of affordable housing for both tenants and first time homeowners. In both cases, our limiting factor is pre-development capital. When creating or preserving housing, nonprofits have the same pre-development costs as any other developer. We must find suitable land, create a feasible plan for development of the site and then buy or option the property. Then we must push the project through the usual local land use process. All of this happens on every project before we can ask the state or others for financial assistance. In the process, CAT has helped to create or preserve 400 units. Because these projects can take years, we averaged only 14 units per year.

When we began this work in the early 1990s these predevelopment costs came from limited amounts of seed capital from foundations and grants, usually through Housing and Community Services. These days that capacity building support has virtually dried up. HB 2570 addresses this gap in a permanent way.

In both the service side and the community development side, organizations like Community Action Team must always manage the trade-offs between meeting the need for staff salaries and agency assets, both of which come at the cost of serving additional low-income people. Because Community Action Team is a locally controlled and driven

CENTRAL OFFICE
125 N. 17th St.
St. Helens, Oregon 97051
Voice (503) 397-3511
Fax (503) 397-3290
Administration
Information & Referral Ext. 274

FISCAL OFFICE
124 N. 18th St.
St. Helens, Oregon 97051
Voice (503) 366-6570
(503) 366-6565
(503) 366-6569
Fax (503) 366-7906

COMMUNITY DEVELOPMENT PROGRAMS
125 N. 17th St.
St. Helens, Oregon 97051
(503) 397-3511 Ext. 279
Housing Development
Community Facilities

HOUSING CENTER
(503) 325-8098
(800) 325-8098
Housing Information & Referral
Homeowner & Tenant Trainings
Home Ownership Assistance

SELF-HELP HOUSING
Acquisition Rehabilitation Sweat Equity
(503) 366-6550
(503) 366-6544

HOUSING REHABILITATION
Rehabilitation
Weatherization
Astoria
(503) 325-8098
(800) 325-8098
Columbia
(503) 366-6552

EMERGENCY HOUSING PROGRAM
125 N. 17th St.
St. Helens, Oregon 97051
(503) 336-6546
(800) 404-3511

**CHILD & FAMILY
DEVELOPMENT PROGRAM**
PO Box 10, 108 W. B. St.
Rainier, Oregon 97048
(503) 556-3736
Head Start
Healthy Start

ENERGY SERVICES PROGRAM
125 N. 17th St.
St. Helens, Oregon 97051
(503) 397-4951
(866) 722-4951
Energy Utility Assistance
Consumer Education
Tillamook
(503) 842-3267
(866) 722-4951
Astoria
(866) 722-4951

**SENIOR, RESPITE & VETERANS
SERVICE PROGRAMS**
125 N. 17th St.
St. Helens, Oregon 97051
(503) 366-6543
Respite Care, OPI
Senior Support & Nutrition Programs

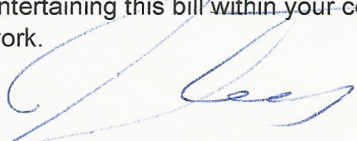
Veterans Service Program
125 N. 17th St.
St. Helens, Oregon 97051
(503) 366-6580

DISASTER RECOVERY PROGRAM
125 N. 17th St.
St. Helens, Oregon 97051
(503) 366-6563

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nonprofit, we have chosen to keep costs and rents lower rather than build our capital base. We believe that strategy has paid off for our community and the state. For example, last year, our 142-unit portfolio produced and estimated rental assistance in excess of \$1 million (nearly \$600/unit/month) without any other outside support.

HB 2570 will help extend CAT's productivity by more than tripling the amount of capital available to the agency to begin projects. We expect that to equal 45 units per year, indefinitely. Thank you for entertaining this bill within your committee, as well as your long-standing support for housing and our work.



Jim Tierney
Immediate Past Executive Director