



**Testimony Regarding HB 5012
Oregon Housing and Community Services Budget
Before the
Joint Ways and Means Subcommittee on Transportation and Economic Development
March 20, 2017**

Co-Chairs Johnson and Gomberg, and Members of the SubCommittee,

I submit this written testimony on behalf of the Oregon Law Center (OLC) regarding HB 5012, the budget bill for the Oregon Housing and Community Services Department. Thank you for the opportunity to provide comments, and for your work.

The Oregon Law Center (OLC) is a non-profit law firm whose mission is to achieve justice for low-income communities of Oregon by providing a full range of the highest quality civil legal services. One of the most important issues in the lives of our clients is the challenge to find and maintain safe, stable, affordable housing. Housing is about much more than a roof over one's head; it is about opportunity. Without safe and stable housing, it is difficult or impossible for low-income families to hold down a job, keep children in school, access neighborhood amenities, and stay safe and healthy. The housing assistance programs managed by OHCS play a critical role in the lives of our clients and our communities. The following programs within OHCS are critical to the lives of our clients:

Investments in the Emergency Housing Account (EHA) and State Homelessness Assistance Program (SHAP): These programs are the State's primary support to individuals and families who need emergency housing assistance. EHA and SHAP funds provide critical interventions in communities across the state to prevent or end homelessness. An investment of \$50 million dollars proportionately in the EHA and SHAP programs will help thousands of Oregonians in their efforts to achieve and maintain housing stability.

It is clear that once again, Oregon is in a housing crisis. In a growing number of communities across the state, rental vacancy rates are lower than 1%. At the same time, the foreclosure crisis is not over. Communities are housing-cost burdened at increasing rates. Safe, stable, and affordable housing is disproportionately difficult to find and maintain for minority communities, single women with children, victims of domestic violence, seniors, and people with disabilities. The increase in EHA funds will help provide communities with flexible resources designed to meet the individual needs of people experiencing or at risk of homelessness. The increase in SHAP funds will help communities provide greater stability and capacity for local shelter services. This investment will save lives, and help our most vulnerable citizens weather the housing crisis until we can provide stable, safe, and affordable housing for all.

Foreclosure Assistance Program:

In prior legislative sessions, the Oregon Legislature implemented significant legal reform providing access to mediation prior to a foreclosure proceeding. In addition, the legislature provided critical funding for legal assistance and foreclosure counseling for Oregonians whose

housing stability was at risk because of foreclosure. We support continued funding for counseling and assistance thru the next biennium. Since its inception in 2013 through the end of 2016, the Oregon Foreclosure Avoidance (OFA) Mediation Program has served 5,520 homeowners in crisis. While the height of the foreclosure crisis is past, filing rates are still well above pre-crisis rates, and well above the minimum necessary for the OFA program to sustain itself. Access to counseling and legal assistance increases the number of homeowners who understand their options, are prepared for a resolution conference or a modification discussion, and have realistic expectations about their outcomes. The OFA Program has increased the number of homeowners avoiding foreclosure and decreased the time it takes to finalize workout agreements. It is important to all parties to a foreclosure, and to the courts, that homeowners have access to trained counseling and legal services before and during the foreclosure process.

New Affordable Housing and Preservation of Currently Affordable Housing:

In this current crisis, approximately 1 in 4 Oregon renters is paying more than 50% of their income in rent. Homeownership is increasingly unaffordable for area median income wage-earners.

- The building of new, stable, and permanently affordable housing is a vital long-term strategy in re-balancing these numbers. OLC supports the investment of \$100 million in general obligation bonds for the building of new affordable housing units through the Local Innovation and Fast Track (LIFT) program.
- Similarly, the preservation of currently affordable housing stock must be a priority. Currently, thousands of affordable units (manufactured home parks, public housing, projects with maturing mortgages, etc.) are at risk of turning over to the private market. Investing state dollars in preserving these units as affordable is an efficient use of resources that also has the added benefit of avoiding displacement. OLC supports the investment of state dollars into preservation of these at-risk units.

It is clear that housing instability, evictions, and housing cost burdens are at crisis levels in Oregon. The major impact of this crisis is falling disproportionately on our most vulnerable Oregonians. Across the state, seniors, low-income people, people of color, people with disabilities, children, are all at risk. The crisis is felt by middle income working Oregonians as well. Investment in the above effective programs will help Oregonians and our communities weather this storm.

Thank you for your consideration and your work.