



Neighborhood Economic
Development Corporation

May 1, 2017

Senator Gelser, Chair
Senator Olsen, Vice Chair
Senate Human Services & Housing Committee
900 Court Street NE
Salem, Oregon 97301

Dear Chair Gelser and Members of the Committee,

Thank you for the opportunity to provide written testimony in support of HB 3175.

NEDCO is a nonprofit CDC dedicated to helping low income families and communities build a better financial future. One of our signature asset building services is our first time homeownership program for low and moderate income families. We provide education, counseling, credit-building, matched savings accounts (IDAs), and down payment assistance to help low income families achieve stable, affordable homeownership.

In the last 3-4 years, due to skyrocketing home prices and the lack of new entry-level development (most new construction homes start above \$300k), our clients are doing all of the hard work to prepare for homeownership but simply cannot find a home in their price range. Homeownership and all of its financial benefits remain out of reach.

Oregon needs to develop more affordable single family units, or we risk a generation of working class families excluded from the countless benefits of homeownership. NEDCO is teaming up with nonprofits around the state (including Habitat for Humanity, Proud Ground, and others) to partner on exactly that challenge, especially the development of Land Trust homes – in which the land itself is held in trust by a nonprofit, and only the structure is sold to a low income family. This model combines the best of asset-building for a family and long-term affordability for a community.

Luckily, the LIFT (Local Innovation Fast-Track Housing) program passed by the legislature in 2016 allows development for ownership in addition to rental. HB 3175 is simply a technical fix that would allow these Article XI-Q bonds to be used for development of homes affordable up to 80% AMI when the homes are for ownership. (Maximum income for rental development would remain unchanged at 60% AMI.)

I urge your support for this bill, which will help us develop much-needed homes for working class Oregonians.

Sincerely,
Emily Reiman
Executive Director

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