



January 9, 2020

Representative Alissa Keny-Guyer, Chair
House Committee on Human Services and Housing
900 Court St NE
Salem, OR 97301

Representative Keny-Guyer,

In response to your invitation, we regret we are unable to attend next week's hearing in person, but are pleased to submit this letter describing Meyer Memorial Trust's relationship to and support for the Small Homes Northwest (SHNW) collaboration led by Hacienda CDC, with Verde, PCRI and ROSE CDC, and to describe our expectations around promoting and building upon this work, including potential future funding for this and similar projects.

Hacienda and its partners first approached Meyer in late 2018 on behalf of this work in response to our Request for Proposals focused on increasing low-income households' access to rental homes with private market landlords. Meyer funded that request at \$125,000 to assist with early stage design and planning work on the project.

It is our understanding that the partners intend to build and site 10-15 demonstration small homes on the property of modest income homeowners (<100% Median Family Income) to be rented to low income renters (<60% MFI), focusing on Portland neighborhoods at high risk of displacement including Cully, Lents and inner North/Northeast Portland. While those Portland neighborhoods are the current focus of the work, we believe the pilot will attract broad interest from other cities across Oregon, and could have important benefit statewide.

The long-term goal of this work is to develop a scalable, replicable model for creating homeowner stability and asset building while increasing access to affordable rentals, for a fraction of the cost of new multi-family housing. Meyer found this project compelling because of its innovative approach to furthering asset-building, anti-displacement and affordable housing goals, and because of its focus on furthering equity and inclusion in the project's design and intended outcomes.

In fact, the innovative nature of this approach to housing development motivated Meyer to invite Hacienda and its partners to participate in a new learning cohort including three other projects funded by our "1 Million Months Challenge" (see <https://mmt.org/news/four-nonprofits-respond-meyers-1-million-months-challenge>).

The 1MM Challenge was meant to spur new approaches to creating access to affordable housing with less public subsidy than a typical publicly-subsidized multifamily rental project. We posed a lofty "moonshot"-style target, focusing creativity and energy around a specific, lofty goal: *Bring us your best ideas for guaranteeing 1 million months of affordability, using as little public subsidy as possible.*

While the SHNW project (originally called "Equity First Affordable Small Homes" or EFASH) came to Meyer through a different process, we quickly realized it is strongly aligned with the intent of the 1MM Challenge, which led us to include them in the learning cohort including the other three projects awarded grants under 1MM. Learning from this work, testing assumptions, and improving upon and replicating our partners' success are core priorities for Meyer in all this. The learning cohort will serve not only as a forum for the partners involved in the four 1MM projects to compare notes and share lessons learned across their projects, but as a platform to engage many other partners and stakeholders with an interest in housing affordability and residential development across the state. Meyer will provide a series of opportunities to share, explore, and expand upon this work with partners across Oregon over the next two years as these projects each develop, test and improve their pilots.

Over the next six months, Meyer will make available up to \$1.2 million to be allocated among partners in the cohort whose pilots are showing promise. This funding is limited to the four projects in the learning cohort (including SHNW), and any award is contingent on seeing some material progress in developing the pilot concept. Meyer leadership is currently considering an implementation stage grant award to SHNW, and I would expect to be able to share a decision before the end of this month.

I'm happy to answer any questions about Meyer's engagement with this interesting and promising project. Ultimately in the 1MM work we are hoping to support projects that are game-changers, new ways of approaching housing development that can have a wide impact on the state in different housing contexts. We see real potential in SHNW to do just that.



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