



To: Chair Prozanski, Vice-Chair Thatcher and Members of Committee:

From: Diane Linn, Executive Director, Proud Ground

RE: HB 2285

Date: February 26, 2019

Thank you for your consideration on our testimony in support of HB 2285. Proud Ground is a non-profit dedicated to providing permanently affordable homeownership opportunities to working families in Oregon. We work in partnership with Habitat for Humanity of Oregon and many of the affiliates around the state, especially in Portland Metro East.

In 2016-17, Proud Ground assists the City of Portland in its effort to address “zombie homes” under the leadership of the then Mayor Charlie Hales. Dilapidated and abandoned homes were haunting and disrupting neighborhoods and often times, there was no end in sight for a remedy. Some were putting children and pets in danger and neighbors coped with serious impacts on their homes and community. Significant police and emergency services resources are invested in responding to issues in and around these homes. The time it takes to maneuver the process of finding and holding owners accountable was frustratingly long. The media has focused on the problem and still progress is slow. The problem persists in communities all around the state.

We researched Oregon's Receivership Program during this effort and found that is simply not workable for cities, counties or non-profits. As currently written, the statute mandates that a city or county may engage a nonprofit, Housing Authority or one of its own departments, appointing them as a Receiver to improve the home.

After the nuisance property has been brought back up to a livable standard, the statute then dictates that the home must go to the highest bidder on the auction block. While the Receiver will be repaid their hard costs plus up to 15% out of the auction sale, neither nonprofits nor Housing Authorities are in the business of ensuring maximum gain for the owners of zombie homes. We found that the risks were high and not a practical or appropriate for us as a non-profit organization to play the role of Receiver.

We strongly support HB 2285 because it does the following:

- Gives cities and counties a workable tool to address the most egregious zombie homes by placing a lien on the home for the estimated cost of bringing it up to a livable standard.

- Any interested party has 60 days prior to this lien being placed to begin addressing the needed repairs or repay the lien.
- If no action is taken, the municipality can foreclose on the lien and then, if they choose to do so, donate it to a nonprofit or Housing Authority to add a much-needed livable home to the market, improve neighborhood property values and contribute to a healthy and attractive community.

Please support this important legislation for the sake of neighborhoods and families who would benefit from the transformative homeownership opportunity. Thank you again.