



DEVELOPING THRIVING COMMUNITIES

February 12, 2020

Joint Ways and Means Subcommittee on Capital Construction
900 Court Street NE
Salem, Oregon 97301

Co-Chair Girod, Co-Chair Holvey and Members of the Committee:

My name is Karen Saxe and I work at DevNW, an affordable housing and counseling agency serving Lane, Linn, Benton, Lincoln, Marion and Clackamas counties. I am writing to urge your support of HB 5201, and the Speakers request for \$50 million in General Obligation, Article XI-Q bonds to build affordable homes across Oregon and \$20 million for Lottery Bonds to maintain existing affordable housing.

DevNW is a result of the merger between NEDCO and Willamette Neighborhood Housing Services and collectively we have over 60 years of experience developing thriving communities. We provide financial and pre-purchase education and counseling throughout our four offices to low and moderate income first-time homebuyers. Our services ensure our clients are ready to take the step to homeownership, that their financial and credit picture make them mortgage-ready and that they've assembled a team of professionals they can trust.

While education, counseling and down payment assistance are crucial for mortgage readiness, the availability of affordable homes is also a critical component in that path. Average home prices in Eugene are over \$330,000, up over 6% from a year ago, while buyers in Corvallis, Canby and Portland are facing prices close to and above \$400,000 with the market predicted to continue rising in the upcoming year. New homes being built by private developers are selling even higher than these existing homes. This is not a market that provides entry for any low or moderate income family despite all of their work to become financially stable. Affordable homeownership development helps correct the market by providing housing options for these families.

As an industry we use every option available to increase the supply of affordable homeownership and rental units, which is why an increase in the allocation of bonds available for the LIFT (Local Innovation Fast Track) program is so critically important. LIFT Homeownership funds enable our agency to put new units on the ground. DevNW is well underway in creating 18 new, permanently affordable homes for low-income

devNW.org



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homebuyers in Cottage Grove and Florence and demand for homes continues to rise. For just our Cottage Grove project alone, we received *four times* as many applications as homes available. An increase in bonds will support current projects in our pipeline as we plan to seek LIFT funding to create even more opportunity for affordable homeownership in Corvallis and Eugene in the coming year.

We are not alone in this work. There are affordable housing developers across the state with the organizational capacity to work diligently to increase the supply of affordable homes, but we need your help in providing the resource to make that the reality for our communities. DevNW has a pipeline of first-time homebuyers who have put in the hard work, who are financially stable and mortgage ready but who are unable to take the step to homeownership due to limited supply and a lack of affordability.

Homeownership is the single greatest way that Americans build wealth. It helps to break the cycle of generational poverty and reduce the racial wealth gap. Kids succeed in school when they know their family has a safe, affordable place to call home, families are more engaged in their neighborhood and community and employers can rely on a more stable workforce. We thank you for what the Legislature has done to support affordable housing and we urge your continued support for HB 5201, and the Speakers request for \$50 million in General Obligation, Article XI-Q bonds to build affordable homes across Oregon and \$20 million for Lottery Bonds to maintain existing affordable housing.

Sincerely,
Karen Saxe
Director of Financial Wellbeing

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