



DEVELOPING THRIVING COMMUNITIES

April 22, 2021

Joint Committee on Ways and Means
900 Court Street NE
Salem, Oregon 97301

Co-Chair Johnson, Co-Chair Steiner-Hayward, Co-Chair Rayfield and Members of the Committee:

My name is Karen Saxe and I work at DevNW. DevNW is an affordable housing development and counseling agency serving Lane, Linn, Benton, Lincoln, Marion and Clackamas Counties. Our mission is to serve low and moderate income Oregonians to increase their financial security, build assets and develop thriving communities.

We urge your support for funding for \$250 million in General Obligation, Article XI-Q bonds to build affordable homes across Oregon through the LIFT program, including 20% to build affordable homes for purchase. We also know that once people are housed, we need to do everything we can to keep them housed, and would urge your support for foreclosure prevention counseling and the Oregon Housing and Community Services budget.

DevNW provides financial and pre-purchase education and counseling across six Oregon counties, helping many low and moderate income families become first-time homebuyers. Our pre-purchase services demystify the homebuying process, help clients connect with local lenders and real estate agents, plan for those unexpected homeownership expenses and avoid predatory lending practices. We provide one-on-one counseling sessions that help 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. We are also able to layer financial resources like downpayment assistance to help our clients achieve homeownership.

These services and resources offer a chance to homeownership in a market that is pricing out low and moderate income families, when rising rents make it harder and harder for families – even those with stable income - to save for a down payment.

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The availability of affordable homes is also a critical component on that path. Average home prices in Eugene are over \$350,000, up over 11% from a year ago, while buyers in Clackamas County are facing prices close to and above \$500,000. 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.

LIFT funds are increasing the supply of affordable housing options, both rental and ownership units, across Oregon. DevNW used LIFT Homeownership funding to develop affordable homes for sale in Cottage Grove, helping six families build wealth and security for their families in the community they want to call home. We are currently selling 12 homes in Florence, slated to close later this Spring. And, we have additional projects underway with LIFT funds in Eugene, Corvallis and Clackamas County.

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.

Foreclosure prevention counseling is another key component in addressing our state's housing crisis; by helping Oregon families stay in their homes, we prevent them from homelessness or from putting increased pressure on an over-burdened rental market. We know that economic recovery took twice as long for families of color from the Great Recession compared with their white counterparts. It is imperative that we act now for an equitable recovery from the pandemic and economic crisis hitting families across the state.

We thank you for all of your work on behalf of Oregonians and urge your support of these critical programs to support and stabilize homeowners across Oregon.

Sincerely,

A handwritten signature in black ink, appearing to read "KSaxe".

Karen Saxe
Chief Program Officer