



NeighborImpact

Supporting People, Strengthening Communities.

February 7, 2022

T E S T I M O N Y

Oregon Senate Committee on Labor and Business

Chair Taylor, Vice Chair Knopp, Members Sen. Hansell, Sen. Jama, Sen. Lieber:

This testimony is submitted on behalf of NeighborImpact, the community action agency and homeownership center serving Crook, Deschutes and Jefferson Counties and the Confederated Tribes of Warm Springs. Our agency provide homeownership counseling, home preservation (foreclosure counseling, mortgage assistance and reverse mortgage counseling, asset building (Individual Development Accounts which match individual saving to incentive and accelerate savings toward personal improvement goals) and financial education.

We write in support of SB1579, which we believe has the potential to create better long-term access for all Oregonians to the types of services described above. Others testifying on this bill will speak to the disparity of wealth accumulation between people of color and the white population. This is a long recognized issue that requires a more aggressive public policy solution, which this bill may well support. We would like to speak to the potential benefits of this bill to for rural Oregon.

We are proud to be a part of the NeighborWorks America network, which is a congressionally chartered nonprofit organization that provides limited funding and training support to organizations like mine to do our work in home ownership and financial capability. There are six NeighborWorks organizations in Oregon doing asset building, but there is only one (us) east of the Cascades, and our geography is limited to Central Oregon. NeighborWorks provides less than one-third of our funding typically. The rest we obtain through fundraising and some support from HUD and other public agencies. We are also affiliated with Neighborhood Partnerships with which we partner to distribute

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state tax credits that fund the Individual Account Program. While this program is worthwhile and has a very high return on investment, the administrative dollars that come with it are modest. Maintaining these services in our region is an ongoing challenge; expanding them to serve other geography is near impossibility.

Within SB 1579 there are call outs to rural communities (§1.1.d and e) and to critical asset building strategies such as ownership of land, entrepreneurship, business development and intergenerational wealth building. (Emphasis supplied; Section 2.3). These programs are important components of any asset- and wealth-building program, including ours.

A bill such as SB1579 has significant potential. It could:

- Create a consistent and reliable statewide pool of funds to support asset building.
- Extend opportunities for asset building to formerly excluded or poorly served populations.
- Create a potential source of funding that would allow existing organizations to expand their services to unserved communities.
- Create a potential source of funding to allow new organizations to be formed to support asset and wealth building.
- Ensure that all of Oregon's geography is served and eliminate the "patchwork" of access to services which currently characterizes the state's asset building system.
- Create a much needed source of funding for important homeownership tools such as down payment assistance or addition IDA funding.

We believe all the above could be accomplished with the bill language as written.

Legislative direction would only help direct these funds.

Oregon's Statewide Housing Plan has investment in rural communities as one of its goals; however, a look at the January 2022 progress report suggests that in service to this goal, Oregon Housing and Community Services has delivered some housing, has established a rural workgroup and has put substantial resources toward disaster relief. Directed toward rural relief, SB1579 would be an accelerant toward the goals of the State Housing Plan.

We urge your favorable consideration of SB1579 to address both historic inequity and rural Oregonians.

Sincerely,

A handwritten signature in blue ink that reads "Scott Cooper".

Scott Cooper, Executive Director
NeighborImpact