



DEVELOPING THRIVING COMMUNITIES

March 13, 2023

Senate Committee on Housing and Development
900 Court Street NE
Salem, Oregon 97301

RE: SB 936

Chair Jama, Vice-Chair Anderson and Members of the Committee:

My name is Karen Saxe and I work at DevNW, an affordable housing development and asset-building agency serving Lane, Linn, Benton, Lincoln, Marion and Clackamas Counties. We support SB 936, to increase homeownership development resources throughout Oregon.

DevNW provides financial and pre-purchase education and counseling to support low and moderate income families in becoming first-time homebuyers. Our pre-purchase services demystify the homebuying process, helping clients connect with local lenders and real estate agents, plan for those unexpected homeownership expenses and avoid predatory lending practices. One-on-one counseling sessions ensure that 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.

The availability of affordable homes for ownership is a key component on their path. The average sales price in Salem is \$425,000, in Lincoln City it is \$500,000 and buyers in Clackamas County face prices close to \$600,000. This is not a market that provides entry for any low or moderate income family despite all of their hard work to become financially stable and mortgage ready. Affordable homeownership development corrects the market by providing housing options for these families.

SB 936 would provide much needed resources to increase affordable homeownership development across the state, through: increased subsidies for development to gain deeper affordability, access to dedicated funding for land acquisition, and innovative ways to expand homeownership such as Community Land Trusts. In addition, funding from SB 936 will provide entry for culturally-specific or smaller housing development organizations into the affordable homeownership development world by providing up the 15% of a total grant awarded for predevelopment costs, which lowers the financial

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barrier to entry for these agencies. We believe this is how innovative, community-specific ideas and approaches are able to thrive.

Agencies like ours are currently utilizing LIFT homeownership funding to create permanently affordable homes through the CLT model. SB 936 is critical to augment those resources, particularly for projects in rural and high-density urban areas where land value is lower, and would encourage the Committee to direct OHCS to ensure these resources are able to be paired with LIFT funding.

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 applaud the work of the Joint Taskforce on Addressing Racial Disparities in Homeownership for this concept, particularly the leadership of Senator Manning and Rep. Ruiz, and we urge your support of SB 936 to dedicate much needed resources to increase the supply of affordable homes for ownership.

Thank you for all of your work on behalf of our communities.

Sincerely,

Karen Saxe
Director of Policy, Advocacy and Strategic Relationships