



April 12, 2019

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 NEDCO and Willamette Neighborhood Housing Services, two nonprofit affordable housing development and counseling agencies that merged as of January 1st. We provide financial and pre-purchase education and counseling throughout our four offices to low and moderate income first-time homebuyers in Lane, Linn, Benton, Lincoln, Marion and Clackamas Counties. Our classes help clients understand the homebuying process and build upon this knowledge in one-on-one counseling sessions that 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 \$300,000, up over 7% from a year ago, while buyers in Corvallis and Portland are facing prices close to and above \$400,000 with the market predicted to raise another 3% 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 units and we urge your support of an allocation of Article XI-Q General Obligation bonds for the LIFT (Local Innovation Fast Track) program. LIFT Homeownership funds enable our agency to put new units on the ground. NEDCO was awarded LIFT Homeownership funds for two projects in the first round of funding. This month we will be breaking ground on two projects, in Florence and Cottage Grove, to create 18 new, permanently affordable homes for low-income first-time homebuyers.

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. NEDCO and WNHS have a pipeline of first-time homebuyers who have put in the hard work, who are financially stable

212 Main Street
Springfield, OR 97477
T (541) 345-7106
F (541) 345-9584

437 Union Street
Salem, OR 97301
T (503) 779-2680
F (503) 779-2682

421 High Street
Suite 110
Oregon City, OR 97045
T (503) 655-8974
F (503) 303-4763

www.nedcocdc.org



April 12, 2019

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 homeownership opportunities and we urge your continued support for an allocation of Article XI-Q General Obligation bonds to support the LIFT program.

Sincerely,
Karen Saxe
Director of Asset Building Programs
NEDCO and Willamette Neighborhood Housing Services

212 Main Street
Springfield, OR 97477
T (541) 345-7106
F (541) 345-9584

437 Union Street
Salem, OR 97301
T (503) 779-2680
F (503) 779-2682

421 High Street
Suite 110
Oregon City, OR 97045
T (503) 655-8974
F (503) 303-4763

www.nedcocdc.org