

A Call to Action for Homeownership in Oregon

Affordable homeownership helps build Oregon communities we are proud to call home. Maintaining and repairing homes improves the vibrancy of entire neighborhoods and preserves our housing stock for generations to come. Investments in preserving existing homes and building new ones provide local, living wage jobs. Oregon counties realize further dividends through property taxes that support our local schools and infrastructure. And families are stronger and healthier when they have a stable, safe place to call home.

But in communities throughout our state, a dire shortage of housing stock has led to skyrocketing home prices. This means that more and more buyers are priced out of the opportunity to purchase their first home and adding pressure to a rental market already bursting at the seams. Meanwhile, we need to ensure struggling homeowners can remain in their homes—much of our existing housing stock is disappearing due to deterioration, especially in rural communities, and the need to provide meaningful solutions to help stabilize at-risk homeowners has never been greater.

Our communities become stronger and more vibrant as we unite to meet our neighbors' basic needs for a stable and affordable place to call home:

- Let's mobilize the resources needed to allow hardworking Oregonians to become first-time homeowners and purchase homes in the communities where they have jobs.
- Let's ensure that potential and current homeowners have access to effective housing and financial counseling that maximizes their opportunities for lasting stability.
- Let's fund critical home repairs before it is too late, protecting seniors and families of modest means from losing their existing affordable homes.

We are seeking legislative support for cost-effective strategies to help increase opportunities for Oregonians to realize the lasting benefits of homeownership they can afford:

- The creation of a new **revolving loan fund** will increase the production of homes affordable for first-time buyers who have demonstrated their financial readiness for homeownership.
- An investment in **Local Innovation and Fast Track affordable housing program bonds** will provide new, permanently affordable homeownership options throughout the state.
- An investment in **critical home repairs** will help homeowners of modest means to live in their homes in health and safety. This initiative will target rural communities at risk of losing much-needed housing stock.
- An investment for **foreclosure prevention** will maximize opportunities for families to maintain a stable living situation. Enabling Oregonians to remain in their homes will help prevent further pressure on the rental market.
- A new, flexible source of **down payment assistance** will help first-time homebuyers to enter the market.

We ask you to support this multifaceted approach that enables hardworking Oregon residents to turn their aspirations of homeownership into real opportunities for lasting stability. Providing Oregonians with the strength and independence they need to create a better life for themselves and their families is a crucial part of the solution for addressing Oregon's affordable housing crisis.

Developing Oregon's Future with New Affordable Homeownership Units

Homeownership is a key pathway to prosperity for Oregonians with low and moderate incomes. But right now, too many of our neighbors and friends are mired in a housing crisis with rapidly rising rents and home prices. The development of new affordable homeownership units will help alleviate the housing shortage and provide families with stable homes that they can afford. With a modest per-home investment from the State of Oregon, nonprofit homeownership developers across the state are ready to help meet this need by developing new units for potential homebuyers with low and moderate incomes.

New development of homeownership units helps address our immediate housing shortage but is also an investment in the future. The stability homeownership provides builds a foundation for children to succeed in school. Children of modest means whose parents own their own home are 18% more likely to graduate from high school and 64% more likely to receive post-secondary education. Their average adult earnings are higher and they are far more likely to become homeowners themselves.

An investment of \$25 million will help organizations around the state make homeownership a reality for families at 30 to 100% of the area median income who are ready to purchase but cannot find an affordable unit. A variety of successful models exist throughout the state, and these organizations are eager to “shoulder in” to provide relief for growing shortage of available rental housing inventory. Together we can ensure that families and neighborhoods alike benefit from the stability homeownership provides.

Down Payment Assistance – A Hand Up for Hardworking Oregonians

More than half of Oregon renter households are cost-burdened with rents they can't afford. They earn too much to qualify for rental assistance but struggle each month to make ends meet. Often, their rent exceeds the mortgage payment for a similarly sized house or condo. But because they fall short of an adequate down payment, the stability and financial benefits of homeownership are just out of reach.

One-time down payment assistance transforms a household on the margins into a family with the capacity to thrive. By investing \$10 million in flexible down payment assistance the State of Oregon will provide a hand up for 800 first-time homebuyers—directly benefiting an estimated 2,500 Oregonians.

Members of the homeownership task force recommend the following allocation of down payment assistance for hardworking Oregon households:

- Up to \$20,000 in down payment assistance be made available to families earning up to 120% of the area median income, for a total allocation of \$10 million

Critical Home Repairs – Preserving Assets for Families and Communities

In the United States, 1.7 million rural homes are either moderately or severely substandard. In Oregon, many of these substandard homes are occupied by older homeowners or those with disabilities who are unable to afford or complete the repairs needed to keep their homes decent and safe. Oregon is home to 522,578 seniors, with 8.1% of these senior citizens living below the poverty level. As one of the fastest growing population segments, ensuring seniors can age safely in their homes is a critical issue.

But it's not just the population of Oregon that is aging: our rural housing stock is aging as well. According to the National Rural Housing Coalition, the average age of federally subsidized rental housing in rural areas is 26 years; the average age of substandard single-family homes is likely significantly higher. New construction in rural Oregon is at a virtual standstill. These statistics, combined with declining federal funding of rural housing, makes preservation of existing rural housing stock increasingly important.

The Legislature should invest in helping homeowners with low incomes to maintain their primary asset—their home—by assisting them with essential repair work. For seniors, people with disabilities, and people with low incomes, small investments in their home can help maintain both their stability and protect our single-family housing stock for the next generation. And with housing rehabilitation project costs ranging from \$5,000 to \$40,000, preserving existing housing units for residents with low incomes is significantly more cost-efficient than producing a new unit.

Ten million dollars in new state funding will enable around 400 critical home repairs each year at an average cost of \$25,000 per home. These repairs will enable seniors to live in health, safety and dignity. These resources would be used to help homeowners of both single-family stick-built homes and manufactured homes owned by people with low incomes. They will preserve another resource we can't afford to lose—hundreds of viable rural Oregon homes.