



October 25, 2022

Dear Mayor Wheeler and City Commissioners,

My name is Sarah Radcliffe and I am the Director of Government Relations for Habitat for Humanity Portland Region. We applaud Mayor Wheeler and Commissioner Ryan's proposed resolution to increase construction of affordable housing.

The recent [draft recommendations](#) stemming from Oregon's 2022 Housing Needs Analysis confirm that our current housing crisis is the result of decades of underinvestment and under building. As a developer of affordable homes for sale, this resolution addresses two of our primary obstacles by identifying and making available publicly owned land and tackling permitting hurdles and delays. We are ready to partner with the City of Portland to bring this 20,000-home goal to fruition in the next ten years. As we strive to address the lasting impact of harmful housing practices and policies in our region, it's critical that the City's planning and funding include home ownership.

Skyrocketing housing costs in the Portland area have drastically exacerbated our community's wealth and health disparities. Majority white homeowners have reaped a windfall in equity growth over the past few decades, while BIPOC households and younger families have scrambled to keep up with skyrocketing rents and have been almost entirely closed out of homeownership. A one-bedroom apartment is not affordable to the average Black Portland household in [any Portland neighborhood](#). Black Portlanders own homes at half the rate of white Portlanders, and this gap is worsening. BIPOC homeownership has suffered from the disparate impact of the foreclosure crisis, displacement and gentrification, and the inequitable economic fallout of the pandemic. Compounding those factors, rising interest rates and inflation means that [half as many Black Americans](#) can afford home ownership in 2022 as could in 2021.

[Research](#) shows time and again that homelessness is driven by the twin factors of housing scarcity and lack of affordability. Conversely, home ownership (with affordable, transparent terms) is a proven path towards family health, improved educational outcomes, financial resilience, stability, and generational wealth. Without an aggressive strategy to increase housing production and share equitably in the benefits of homeownership, we won't turn the

harmful trajectory set by our region's legacy of racist housing practices and we won't stem the flow of Portlanders into homelessness.

Habitat's model addresses these inequities by serving BIPOC communities who would not otherwise be able to afford to buy in this market.

- Over 80% of Habitat homebuyers are BIPOC households.
- Our homebuyers have incomes between 35- 80% of the area median income (AMI), with a set-aside in each development for 70% of buyers between 30-60% AMI. This means that a Habitat home is affordable for a single parent, with one child, earning \$40,000 per year. Through a below market price, down payment assistance, partnerships to ensure a very affordable loan, and a second mortgage if needed, we can facilitate the transformational opportunity of home ownership with a total monthly payment of 1/3 of the family's income.

Habitat's model improves housing affordability for the entire community.

- We increase housing stock, which – especially when combined with accelerated construction region-wide – addresses the lopsided supply/demand that drives up housing prices.
- Our community land trust model, in partnership with Proud Ground, ensures the permanent affordability of the home for future buyers. The initial price is set at below market rate, and the resale price is capped at a 2% annual increase. With down payment assistance and loan forgiveness, the original homeowner can still accrue significant equity (on average, \$97,500 in equity after 10 years).
- 25% of Habitat homeowners move from subsidized rental housing, and when they do, those rental units are made available for another family.

HFHPR has built or repaired more than 1000 homes for lower-income families. With the City of Portland's partnership in bringing much needed funding, land, and streamlined permitting to affordable home ownership development, we can help build a region where everyone has the opportunity to build a better life.



Sarah Radcliffe
Director of Government Relations
Habitat for Humanity Portland Region