



Date: December 18, 2015

To: Commission Saltzman, City of Portland  
Director Creager, Portland Housing Bureau

CC: Andrea Matthiessen  
Javier Mena

From: **Partners for Affordable Homeownership**

African American Alliance for Homeownership, Asian and Pacific Islander Community Improvement Assoc., Habitat for Humanity Portland Metro/East, Hacienda CDC, NAYA Family Center, Portland Housing Center, Proud Ground

Re: **City-wide Homeownership Decision Package Request**

The purpose of this memo is to draw your attention to the overwhelming need for citywide homeownership funding and to remind you of both the immediate and the long-term impact that homeownership investment today will have on the City's Equity Agenda.

Historically, less than 3% of PHB's total budget goes to create new homeowners. This must change if we are serious about stemming the long term housing crisis before us, and the growing minority wealth gap in our city.

**Therefore, we are requesting a minimum of 20% of the \$10 Million increase in the Portland Housing Bureau Budget be dedicated to creating new homeowners with more flexible General Funds outside of the Urban Renewal Areas.** Homeownership funds are an appropriate response to the housing emergency, and will even directly impact the City's goal of eliminating homelessness. The families our organizations' serve are often themselves just one step away from homelessness due to the escalating rents with little support for renters. In many cases they are already considered homeless, living out of a camper, a friend's garage or a family member's basement.

Additionally, we are working with hundreds of people who are ready to own a home, and when given the opportunity to buy, they leave behind a rental subsidy/subsidized or affordable market unit that other families so desperately need.

From the perspective of our clients, while being provided emergency assistance or rental subsidy is helpful, it does not give them the opportunity to participate in the equity and wealth building that the majority of our city is experiencing, causing a growing minority economic gap because of

who owns property, and therefore has a voice in our city. Homeownership is a proven solution to break the cycle of poverty and is a building block for future generations.

### **Equitable and Complete Neighborhoods**

We all know that from the moment we see a neighborhood start to change, that change comes fast and furious. For the 35-80% MFI segment of renters, buying a home in their neighborhood is the first door to close. Portland has a serious minority homeownership gap problem. Families of color in Portland have paid a higher price for gentrification, own homes at half the rate of white Portlanders and have just five percent of their net wealth.

2015 has been a year of bringing to light, both nationally and locally, many racial issues that are still alive and, unfortunately, thriving in our communities. The City of Portland must take progressive and assertive action toward righting our history of inequality. The minority homeownership gap was born out of this racial inequality and is allowed to grow because we so often lose sight of the need for a housing spectrum. With less than 3% of PHB's total budget, we will never close the homeownership gap.

### **A Healthy Housing Continuum**

We cannot create *Complete Neighborhoods* from an incomplete housing continuum—and homeownership is an integral part of that continuum. The continuum must serve the 35-80% MFI households (and as high as 120%) with affordable homeownership options. Our organizations operate programs that serve families along every point of this continuum.

Homeownership as the goal at the end of the continuum inspires families to make use of services along the entire continuum: accessing short-term rent assistance leads to affordable rental housing which leads to financial wellness courses (homebuyer education and credit counseling), this often leads to matched savings programs, career-building skills and other services—all while that families' end goal is to own a home of their own.

Please reconsider the long term impact that a lack of affordable homeownership opportunities will have on the overall housing crisis in Portland. There must be an option to move up on the continuum or people will get "stuck" in rental assistance programs, creating a backlog of waitlists.

Pent up demand for homeownership opportunities in Portland is evidenced by the size of our collective wait lists and high participation in Homebuyer Fairs. Voices of underrepresented residents need to be heard—now is the time to prioritize investments in affordable homeownership. We are amplifying the voices of these families who want their kids to have a chance to attend neighborhood schools, to own a home and still be able to afford to buy food for

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their kids or gas for the car—families who deserve a shot at building wealth and stability and who deserve the opportunity to anchor in the community.

**Request**

We are requesting a minimum of \$2,000,000 of the additional \$10,000,000 be dedicated to developing and creating new homeownership opportunities for low and moderate income families and people of color.

Collectively, our organizations have a system that prepares families for homeownership but the gap is growing and the need for one-time only subsidy to make homes affordable is more necessary. The Portland market can no longer be relied on to provide affordable homeownership opportunities for hard working families. We need the City of Portland to help close this gap.

As you focus on the noble effort to help those earning less than 30% MFI, please take action now to ensure that homeownership is not forgotten. We ask that you, our City leaders, have the vision to look at the vital need for a complete housing spectrum.

We look forward to working with you and your team to come up with a strong budget request to support our shared goals.