



March 21, 2019

To: Joint Ways and Means Subcommittee on Capital Construction

Dear Co-Chair Girod, Co-Chair Holvey and Members of the Committee:

My name is Shannon Vilhauer, and I am the Executive Director of Habitat for Humanity of Oregon. I am writing to share our organization's strong support for HB 5005. In particular, we support the Housing Alliance request for \$200 million in General Obligation, Article XI-Q bonds to build affordable homes across Oregon.

Habitat for Humanity helps families achieve stability by building and selling them a key asset: their home. Habitat homeowners pay down an average of \$50,000 in mortgage principal during the first 10 years of ownership, facilitating the very real intergenerational transfer of wealth. We have a proven track record of helping to close our state's minority homeownership gap. Over 10% of the households we serve have at least one member with a permanent disability. The average median income of Habitat homebuyers statewide is 41%. That's approximately \$28,000 in annual earnings for a family of four. Thanks to Habitat's diligent homebuyer selection process and thorough financial education, our mortgage repayment rate exceeds 98%.

In recent years, Habitat for Humanity affiliates throughout Oregon have seen record numbers of people coming to us for help. We are pleased to report that the LIFT for Homeownership program is making it possible for us to meaningfully increase the number of first-time homeownership opportunities we provide each year.

LIFT program priorities include providing affordable homeownership opportunities in rural parts of the state and addressing the disparities in homeownership among communities of color. During the first LIFT for Homeownership application opportunity, four Habitat for Humanity affiliates successfully applied for \$1.82 million needed to help build 28 Habitat for Humanity homes in rural Oregon communities. On April 5, the Housing Stability Council approved six LIFT for Homeownership applications from four Habitat affiliates, awarding \$4.365 million to deliver an additional 65 Habitat for Humanity homes. The majority of these 65 homes will be sold to homebuyers from diverse racial and ethnic communities.

Habitat for Humanity of Oregon recently conducted a statewide homeowner impact study that highlights the educational benefits experienced by the children living in Habitat homes:

[Habitat for Humanity of Oregon](http://HabitatforHumanityofOregon.org)

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- 63% of the children we serve received better grades after moving into their Habitat home.
- 92% of the children raised in Habitat homes graduated from high school, exceeding Oregon's high school graduation rate by 16%.

The children of Habitat homeowners also experience improved health outcomes, receive higher adult earnings and are far more likely to become homeowners themselves.

Habitat for Humanity homeowners achieve the strength, stability and independence they need to build a better life for themselves and their families. Statewide, Habitat homeowners pay an estimated \$1.6 million in property taxes each year, supporting local schools and infrastructure—and enhancing the communities we all share.

We wholeheartedly endorse the Housing Alliance request for \$200 million in General Obligation, Article XI-Q bonds to support the LIFT program. From our perspective, each dollar invested in LIFT will ensure that additional homes affordable to Oregonians living throughout the state are open and available for sale or rent within the next 36 months. We all know how important this increased housing production is to stabilizing Oregon families, schools and communities. Of course, we hope to see the continuing soft set-aside of 20% of all LIFT allocations to promote permanently affordable homeownership development.


Oregon Habitat for Humanity affiliates have identified two programmatic changes key to doubling the number of first-time homebuyers we serve each year:

- Utilizing construction subsidy programs like LIFT for Homeownership and the Federal Home Loan Bank of Des Moines' Affordable Housing Program.
- Accessing third party financing like the Oregon Bond Residential Loan Program, USDA 502 Loan and below-market rate mortgage financing from banking partners.

Habitat for Humanity of Oregon works tirelessly to help grow the adoption of these capacity-building resources by local Habitat for Humanity offices. This month alone, our staff team visited with four rural Oregon Habitat affiliate Boards, taking steps now to access these resources within the next two years to double their service to the local community.

Thank you for your thoughtful consideration of HB 5005. On behalf of the Board of Directors of Habitat for Humanity of Oregon and the 26 Habitat for Humanity affiliates building and repairing homes across the state, thank you for your service.

With heartfelt appreciation,



Shannon M. Vilhauer, Executive Director

Habitat for Humanity of Oregon

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