



April 9th, 2021

RE: Support for SB 5505

Joint Ways and Means Subcommittee on Capital Construction

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

My name is Preston Korst and I am the Advocacy and Government Relations Manager at Habitat for Humanity Portland Region, which provides affordable homeownership services to Multnomah, Clackamas, and Washington Counties. I am writing to express our strong support for SB 5505 in conjunction with the Housing Alliance request for \$250 million in General Obligation, Article XI-Q bonds to build affordable homes across Oregon through the LIFT program, including 20% for homeownership.

In Portland, 1 in 6 households spend half or more of their income on housing, and the economic impacts from the pandemic are exacerbating housing affordability and stability for many families across our state. At Habitat Portland, we've also seen the price of land, labor and construction materials rise year after year — which is why we turn to innovative programs like LIFT, which has enabled our organization to expand capacity and create more permanently affordable homes.

Since the LIFT program began, Habitat Portland has received \$7.6M in funding to support the construction of four communities totaling nearly 90 permanently affordable homeownership units for families earning between 30% and 80% of Area Median Income. We also have requests pending to support the construction of two additional communities. These 6 projects represent a variety of locations regionally including Hillsboro, outer SE Portland, Cully Neighborhood in NE Portland, and in the Hillside Neighborhood in SW Portland. These funds have been essential in ensuring that the homes we build remain deeply affordable for the families who purchase them.

Especially during this past year, we've seen that our community is stronger when we have better access to affordable homeownership. Yet, current and historical inequalities have barred entire populations from acquiring the generational wealth and lifelong security that accompanies homeownership. The funding provisions within SB 5505 address this by supporting affordable housing developers that serve diverse populations who have been disproportionately impacted by the pandemic. Nearly 90% of Habitat's partner families are People of Color, 30% have a disability, and almost 40% are single mothers.

Unfortunately, since the start of the pandemic lumber prices have risen exponentially, in-kind business donations have slowed, and we've had to hire sub-contractors since we've been forced to forgo on-site volunteers due to safety precautions. These combined factors have driven a nearly \$50,000/per unit increase on the more than 130 homes we have under construction. By ensuring that LIFT is fully funded with specific allocations to homeownership projects, it will enable us to keep up with the current housing crisis while adding critical infrastructural capacity for the future of our growing State.

We urge your support for the inclusion of \$250 million for affordable housing, including 20% for homeownership, in Article XI-Q General Obligation bonds in SB 5505. Doing so will open the door to stable and lifelong homeownership for thousands more families earning a low-income.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read "Preston Korst". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Preston Korst
Advocacy and Government Relations Manager
Habitat for Humanity Portland Region