



To: Senate Committee on Housing and Development

RE: Support for Senate Bill 1530

Dear Chair Jama, Vice-Chair Anderson and Members of the Committee:

My name is Sarah Radcliffe and I am writing on behalf Habitat for Humanity Portland Region to express our strong support for key components of Senate Bill 1530 that will help to expand access to affordable homeownership in Oregon.

From Hillsboro to Gresham, and King City to North Portland, Habitat Portland Region has 330 homes across fourteen communities in various stages of development. That's 330 households who will access the transformational benefit of housing stability and an asset to pass to the next generation.

SB 1530, Section 1 (4) and (5) allocate funding critical to our work in the community:

- \$15 million in flexible funding to support affordable homeownership development
- \$5 million in matching funds for the Individual Development Account (IDA) Initiative

The underproduction of housing and shortage of entry-level homes are driving up unaffordability for everyone and impeding efforts to close racial, ethnic and generational gaps in homeownership and wealth-building opportunities. Oregon's Housing Needs Analysis makes it clear: The state must invest in the production of new homes. This includes entry level homes for sale.

Habitat Portland Region has tapped into general fund dollars (HDIP) to complement our LIFT awards on several recent developments. Because LIFT for homeownership is capped at the appraised value of the land plus improvements, it is not a sufficient subsidy given escalating construction costs and it doesn't pencil for higher density developments which are appropriate for urban areas in which we build.

As homeownership providers, Habitat for Humanity has a proven track record of successfully leveraging government funds to increase the production of homes sold to low- and moderate-income households in Oregon communities of all sizes. **We urge your strong support for this \$15 million investment to help us increase the support of entry level homes for sale.**

IDAs are a resource for qualifying Oregonians to leverage the power of their own savings to support self-determined financial goals. Habitat for Humanity partners with savers working toward first-time home purchases and critical home repairs. This program pairs two powerful tools: matched savings incentives and personalized financial coaching.

Homebuyers through our program are not required to save for a downpayment, but there are less obvious savings required. Closing costs can amount to \$7,000-\$10,000. With an average household annual income of roughly \$47,000, that's a savings target that is very hard to reach without the IDA match. And increasingly, banks are requiring substantial savings as part of their mortgage underwriting criteria. Most of our homebuyers would qualify for the Oregon IDA Initiative, but current capacity does not meet the demand. Every year, our partner organizations run out of funds and are required to turn prospective savers away.

In our community, the desire to participate in the Oregon IDA Initiative greatly exceeds available openings for new savers. **We urge you to amend SB 1530 to include the full \$10 million needed to maintain current service levels for the Oregon IDA Initiative.**

As homeownership providers, the Habitat for Humanity network urges your targeted investment in key programs that expand opportunities for Oregonians to plant roots in their communities and begin building intergenerational wealth. Habitat for Humanity of Oregon and the 24 local Habitat for Humanity affiliates working across the state are well-positioned to help meet Oregon's supply shortfalls and expand support for Oregonians entering the housing market for the first time. Your support of the critical investments included in Senate Bill 1530 will ensure that we succeed together.

Thank you for your service,

A handwritten signature in black ink, appearing to read 'S. Radcliffe', with a stylized, flowing script.

Sarah Radcliffe
Director of Government Relations
Habitat for Humanity Portland Region