

Submitter: Michael Fieldman

On Behalf Of:

Committee: Joint Committee On Ways and Means Subcommittee On
Capital Construction

Measure, Appointment or Topic: SB5701

Joint Committee on Ways and Means Subcommittee on Capital Construction

Senator Fred Girod, Co-Chair

Representative Rob Nosse, Co-Chair

Re: Support of SB 5701 "Home to Stay Douglas" housing project.

This testimony is in support of the "Home to Stay Douglas" affordable housing project included in SB 5701 submitted by the Housing Authority of Douglas County (HADCO). This pilot project addresses an existing shortage of smaller one-bedroom homes, which is also a growing need. It will demonstrate that these homes can be built for a significantly lower cost than other existing housing construction models. The target populations for this housing will be: 1) the growing number of people 55 and over living on fixed incomes who are being forced out of rental units due to increased rent costs (who are now the largest portion of new people entering homelessness); 2) veterans who are homeless or at risk of homelessness; 3) people with disabilities; and 4) people moving out of homelessness who are ready to transition into permanent housing. It will target people at 30% of median income.

This project proposes the development of 30 one-bedroom homes using a land trust model where HADCO will own the land, with the homes being owned by the individuals living in them. This is similar to the structure used with mobile home parks that are tenant owned and also similar to housing projects constructed by Square One Village in Eugene. We will look to utilize the experiences of these types of organizations in the final design of the land trust structure and operations. An additional benefit of this project is that it will give the home owners a chance to build equity in a home and therefore build personal wealth.

This pilot project also looks to use volunteers from such groups as veteran organizations, churches, businesses and other civic groups to help with the construction and provision of materials for at least 5 of the units. A project to build two tiny homes in our community a few years ago attracted over 70 volunteers to help with their construction. We anticipate similar interest in this project. Other units will be manufactured homes that will be purchased and placed on a permanent foundation. The average cost for each home will be \$112,000, which is significantly less than current construction costs. The site for this project has been identified and will be on a portion of a twelve-acre parcel on the east side of Roseburg. Preliminary assessment of needed development work, site design and costs have been undertaken. Cost estimates for this work are within the requested budget amounts.

After construction the homes will be purchased by the people moving into them. Since the development of the project and construction of the units will be completed without debt HADCO will be able to provide the mortgage financing for the purchase of each home. HADCO will provide Home-Ownership Housing Vouchers to support some owners with their mortgage payments. It will also work with organizations providing homeownership counseling to help prepare people for ownership and work with them to possibly save for a downpayment on their home. The combination of these facts and efforts will allow HADCO to work with each owner to structure a sale price and loan terms that will be unique to each family to assure that payments will be sustainable over time. Projected monthly payments will be in the \$250-\$550 range. Mortgage payments will be used to cover any HADCO costs associated with being the land owner and associated with the land trust operations.

We ask for your support in funding this exciting pilot project that provides an alternative model for the construction of this much needed type of housing and which can then be replicated elsewhere.

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