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April 27, 2015

Dear Rep. Barnhart, Chair, and Members of the House Revenue Committee,

I am writing on behalf of Springfield/Eugene Habitat for Humanity in support of HB 2690-1.

As advocates for and providers of affordable homeownership opportunities, we get to see on a daily basis how important affordable homeownership is to the wellbeing of the homeowner families and to our community as a whole. Homeownership provides the stability that sets the stage for families to thrive and for the neighborhoods and communities we share to be more stable.

The property tax exemption as provided for in HB 2690-1 would help Habitat affiliates more quickly and more cost effectively provide homeownership opportunities. The demand for our services outweighs our capacity to build homes. The proposed legislation would help ease the cost burden of carrying the land while we pursue infrastructure development and installation as well as funding for the actual builds.

Our affiliate purchases bare ground that we must replat into individual lots or purchases multiple lots which may still require infrastructure work prior to starting house builds. It's very common for it to take several years from the time of purchase until the final home is completed. Removing the property tax payments during that development time would ultimately mean we are able to commence building more houses more quickly. House completion and sale results in returning the property to the tax rolls at much higher rates, benefiting the jurisdictions in which we build and citizens living there.

Currently, Springfield/Eugene Habitat only receives property tax exemption during the time from when we get building permits until the sale to the homeowner. The provision in the law permitting the exemption varies in interpretation by counties around the state. While most counties provide for exemption only during the permit period, some counties provide for exemption from the time Habitat purchases the property. We support the proposed bill because it would clarify the exemption intent and provide for equal treatment across the state, resulting in exemption from the time of purchase.

We believe the timeframe for exemptions provided for in the dash one (-1) amendments is reasonable and, in fact, critical for Habitat affiliates around the state. Unlike private sector developers, Habitat affiliates raise most of their funds for infrastructure development and building costs from donations made by local businesses, churches, service groups, and individuals. We use volunteer labor to do most of the building – totaling thousands of hours of volunteer labor on each house. It's a tremendous process and engages diverse sectors of the community working together for a common purpose – safe, decent, affordable housing for a low income family from the local community. The process takes time and we are convinced the timeline provisions in the legislation are reasonable and will help facilitate more home construction.

We can't wait to buy land until we have a family ready to begin a build (they have to contribute 175 hours of sweat equity – volunteer hours – before they are eligible to be offered a building lot) or have

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house sponsorship funds secured to purchase building materials and supplies beyond what we can leverage as in-kind donations. We have to have the land far in advance.

A current case in point is land we bought almost 3 years ago in Springfield. Because of some density changes taking place after we bought the land and other factors, we are still in the process of working with the City of Springfield on replatting and infrastructure requirements as well as arranging funding for those aspects. The land will have 7 units on it. We expect it to take us 2 – 3 years to complete all building once we commence. We have been paying taxes on this property since the day we purchased it.

Taking a long-range view, we believe that property tax exemption with the timeframe provisions proposed in HB 2690-1 would aid Springfield/Eugene Habitat in building more affordable housing more quickly, helping us be good stewards of donated dollars.

That same long-range view will, we believe, provide great advantages to the community.

I would be happy to provide additional information or discuss any aspect of this letter with you. I may be reached by phone at 541/741-1707, by mail at 1210 Oak Patch Rd, Eugene, OR 97402, or by e-mail at [don@sehabitat.org](mailto:don@sehabitat.org).

Thank you so much for consideration of this important legislation.

Sincerely,



Don Griffin  
Executive Director