



February 2, 2016

House Committee on Human Services and Housing  
Oregon State Capitol  
900 Court St. NE  
Salem, OR 97301

Re: Testimony in Support of HB 4064

Dear Chair Keny-Guyer and Members of the Committee:

My name is Shannon Vilhauer, and I am the Executive Director of Habitat for Humanity of Oregon. I assumed this role three years ago, after working at the local affiliate level for another 13 years, first in the greater Salem area and later in Portland. I am writing to request your support of HB 4064.

Right now more than 280,000 Oregonians are mired in a housing crisis that includes unaffordable rent, overcrowding, dilapidated shelter and homelessness. Together we can change that. We can build new foundations for thousands of hardworking Oregon families and forever change the landscape of our communities, one home at a time.

Habitat for Humanity helps families to break the cycle of intergenerational poverty by owning a key asset: their home. Habitat homebuyers 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. Our program has a proven track record of helping to close Oregon's well-documented minority homeownership gap. The children of the families we serve do better in school, enjoy improved health outcomes and are far more likely to become homeowners themselves. The average median income of Habitat homebuyers statewide is 39%. That's \$22,000 in annual earnings for a family of four. We are proud to report that, as the result of our thorough homebuyer selection and training process, we enjoy a 98% mortgage repayment rate.

Habitat for Humanity's homeownership program impacts families' lives in profound ways, and our statewide impact is growing. Of the 30 Habitat for Humanity affiliates in Oregon, 22 build and repair homes in rural communities. Over the past five years, Habitat for Humanity has built and sold 394 homes—serving an average of 76 first-time homebuyers each year. The total number of Oregonians living in Habitat homes now outsizes the freshman class at the University of Oregon.

P.O. Box 11452, Portland, Oregon 97211

Phone: (503) 206-5248 Fax: (503) 206-7456 [habitatoregon.org](http://habitatoregon.org)

Even as we celebrate these successes, we are committed to doing more to address our state's housing crisis. Our communities become stronger as we unite to meet our friends' and neighbors' basic needs for a place to call home.

Over the past 35 years Oregon Habitat for Humanity affiliates have built and sold over 1,300 homes to hardworking families throughout the state. We are poised to leverage this success to rapidly build 1,000 more homes to help address the Oregon renters' state of emergency.

We need your help to create a tool that will enable Oregon Habitat affiliates to leverage the value of the homes we produce to permanently increase statewide production. Our goal is to create a fund that will enable affiliates to leverage 92% of a newly built home's mortgage principal at closing. These funds will immediately increase the affiliate's homebuilding capacity with the construction of additional homes and purchase of land for future builds. Repayment of the leveraged mortgages will result in a revolving fund that will continue to provide affiliates with the capital needed to serve more Oregon families more quickly.

HB 4064 will establish the statewide mortgage leveraging program structure—to prepare for a seed funding request during the 2017 session. Habitat for Humanity of Oregon anticipates directly administering this program to the 30 Oregon Habitat affiliates we serve and reporting annually to Oregon Housing and Community Services.

In order to expand statewide homebuilding capacity at the earliest possible opportunity, Habitat for Humanity of Oregon will seek private investment in the mortgage leveraging fund. Once funds are received, we will implement this program—to help meet the urgent need for stable and affordable housing throughout the state.

Thank you for carefully considering the creation of this program and for your dedication to improving the communities we all share.

In partnership,



Shannon M. Vilhauer, Executive Director

**Attachments**

Map of Oregon Habitat for Humanity Affiliates

What Habitat is Doing to Leverage Mortgages in Eight Other States