



We build strength, stability, self-reliance and shelter.

April 27, 2017

To: Senate Human Services Committee

Dear Chair Gelser, Vice Chair Olsen and Members of the Committee:

My name is Shannon Vilhauer, and I am the Executive Director of Habitat for Humanity of Oregon. Our organization enthusiastically supports HB 3175.

The Local Innovation Fast Track housing program (LIFT) has already stimulated a significant uptick in the development of new affordable housing. The purpose of the LIFT program is to support the development of affordable homes for rent or sale to Oregonians of modest means.

HB 3175 is a technical fix that increases the maximum income of homebuyer households served through the LIFT program to 80% of the area median income (AMI). Maximum income served through rental developments will remain 60% AMI. This small adjustment will make it possible for homeownership developers to successfully identify market rate lenders and provide conventional mortgages to Oregon households who purchase homes built with LIFT funds.

Because of the unique nature of Article 11-Q bonds, all homes built and sold to first-time homebuyers through the LIFT program will be land trust homes. Families who move into these homes will enjoy the lasting benefits of stability. Permanent affordability of the home itself will ensure that decades from now, Oregon will have homes available for first-time homebuyers.

Habitat for Humanity helps families achieve stability by building and selling them a key asset: their home. We have a proven track record of helping to close our state's minority homeownership gap. Over 10% of the households we serve have at least one member with a permanent disability. The average median income of Habitat homebuyers statewide is 39%. That's \$22,000 in annual earnings for a family of four. Thanks to Habitat's diligent homebuyer selection process and thorough financial education, our mortgage repayment rate exceeds 98%.

This fall, Habitat for Humanity of Oregon conducted a statewide homeowner impact study that highlights the educational benefits experienced by the children living in Habitat homes:

- 63% of the children we serve received better grades after moving into their Habitat home.

- 92% of the children raised in Habitat homes graduated from high school, exceeding Oregon's high school graduation rate by 17%.

The children of Habitat homeowners also experience improved health outcomes, receive higher adult earnings and are far more likely to become homeowners themselves.

Habitat for Humanity homeowners achieve the strength, stability and independence they need to build a better life for themselves and their families. Statewide, Habitat homeowners pay an estimated \$1.32 million in property taxes each year, supporting local schools and infrastructure—and enhancing the communities we all share.

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.

Thank you for your thoughtful consideration of HB 3175—and for the important work that you do every day.

Respectfully,



Shannon M. Vilhauer, Executive Director