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

NeighborWorks Umpqua supports the changes to the Local Innovation and Fast Track (LIFT) housing development program that would allow housing organizations to target homebuyer households earning up to 80% of area median income, HB 3175.

In many rural communities it is difficult to serve families earning 60% or less for home ownership. For example, the area median income in Douglas County is \$52,100 (2016). At 60% AMI, or \$31,260, a family of four would not be able to purchase a home at \$155,000, the median priced home for Roseburg (Realtor.com April 28, 2017). However, the same family at 60% AMI in Benton County, where the median income is \$78,600, can earn \$16,340 per year more and could afford a home at \$190,000 – the median price of a home in Philomath (Realtor.com April 28, 2017), a similar community to Roseburg. Raising the range to 80% allows us to more flexibly serve all Oregon communities.

HB 3175 is a technical fix that increases the maximum income of homebuyer households served through the Local Innovation and Fast Track (LIFT) housing development 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 serve Oregon households who purchase homes built with LIFT funds.

Because of the unique nature of Article XI-Q bonds, all homes built and sold to first-time homebuyers through the LIFT program will be land trust homes. Permanent affordability of the home itself, through state ownership and non-profit management of the land, will ensure that decades from now, Oregon will have homes available for first-time homebuyers. This is a good investment for Oregon, as communities will enjoy the stability and investment that is a hallmark of home ownership while ensuring that a broad cross-section of the community will continue to benefit from the financial and emotional benefits of home ownership.

Thank you for supporting this important technical fix!

Respectfully,
Stacey Daniel
Director of Policy and Advocacy