



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

March 2, 2023

To: Joint Committee On Ways and Means Subcommittee On Transportation and Economic Development

RE: Support for SB 5511 – Housing & Community Services Dept. Budget

Dear Co-Chair Woods, Co-Chair Gomberg and Members of the Committee:

My name is Shannon Vilhauer and I am writing on behalf of the Board of Directors and staff of Habitat for Humanity of Oregon to urge your strong support for SB 5511, the Governor's recommended budget for Oregon Housing and Community Services.

Today in Oregon communities of all sizes, too many of our friends and neighbors are struggling to achieve a stable and affordable roof over their heads. Many of our communities are contending with record levels of unsheltered kids, adults and families—enduring potentially life-threatening conditions in extreme weather.

Governor Kotek's budget includes unprecedented investments along the entire affordable housing continuum. SB 5511 will help to ensure that more members of the communities we are grateful to call home can live in health and safety. We appreciate that the Governor is seeking to significantly expand emergency housing resources, balanced with investments to help our state to meaningfully expand the production of safe, affordable and energy-efficient homes available to Oregonians at a variety of income levels.

As homeownership providers, the Habitat for Humanity network urges your targeted investment in key programs that expand opportunities for Oregonians to plant roots in their communities and begin building intergenerational wealth. Governor Kotek's budget recommendations include the following key initiatives to grow access to homeownership and asset building statewide:

- \$154 million in LIFT for Homeownership: This resource enables affordable homeownership developers to access article XI-Q bond financing to expand our capacity to develop new, permanently affordable homes for sale.
- \$5 million in supplemental, general funds to ensure LIFT Homeownership can reach rural communities and build the density needed to address our supply crisis. *Please note, our network believes that at least \$100 million in general fund resources will be needed to ensure that this LIFT for Homeownership allocation meets its intended reach.*
- \$13.6 million for down payment assistance for homebuyers tied to OHCS lending products: We see this request as a floor, not a ceiling, for this key resource that expands first-generation homebuyers' purchase power—helping to close the well-documented racial homeownership and wealth gaps.
- \$7.5 million to expand asset building opportunities for low-income Oregonians. The Oregon IDA Initiative is an incredibly effective tool for empowering Oregonians to set and achieve ambitious financial goals, such as first-time home purchases and critical home repairs. *We urge you to fund this*

request at the \$35 million level suggested by JARDHO: The Joint Legislative Task Force Addressing Racial Disparities in Homeownership.

At this very moment, our Habitat for Humanity of Oregon staff team is working closely with nine Oregon Habitat affiliates to submit 11 competitive applications for LIFT for Homeownership, paired with general fund Home Ownership Incubator Program resources. Together, we are seeking nearly \$18 million dollars in these paired resources to build 92 new, permanently affordable Habitat for Humanity homes. The breakdown of this request includes \$8.1 million in LIFT for Homeownership requests and \$9.7 million in general funds. Another six Oregon Habitat affiliates are applying directly to OHCS for these paired resources. We greatly appreciate the legislature's recent investments to support the expanded production of affordable homes for sale. With your continued support, we will keep steadily increasing our capacity.

The Governor's Recommended Budget includes over \$1.46 billion to increase housing stability and community prosperity. Balancing the needs of Oregonians experiencing homelessness with addressing chronic supply shortfalls, the biennial budget represents the largest request any Governor has proposed. We celebrate the Governor's ground-breaking request—and urge you to invest even more deeply in key and effective programs that support access to entry level homeownership and effective asset building opportunities.

Thank you for your consideration and service,

A handwritten signature in blue ink that reads "Shannon M. Vilhauer". The signature is fluid and cursive, with the first name being the most prominent.

Shannon M. Vilhauer, Executive Director