



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

Feb. 12, 2023

To: Senate Committee on Housing and Development

**RE: Concern that -3 Amendments Remove Homeownership Production from Senate Bill 1530**

Dear Chair Jama, Vice-Chair Anderson and Members of the Committee:

My name is Shannon Vilhauer and I am the Executive Director of Habitat for Humanity of Oregon. On behalf of our organization and the 24 local Habitat for Humanity affiliates we serve, I am writing to express our concern that the -3 amendments to Senate Bill 1530 remove the \$15 million in flexible funding to support affordable homeownership development statewide.

**Why Affordable Homeownership Matters**

In the report “Breaking New Ground” OHCS highlights the importance of affordable homeownership in any comprehensive strategy to address our state’s housing needs:

*Affordable homeownership is a critical component of any forward-thinking strategy that seeks to address both housing and prosperity. Homeownership is the key method by which most Americans build wealth. In markets with rising home prices, homeownership is one of the best paths to housing stability, as most mortgages do not fluctuate with housing prices; this insulates homeowners from displacement pressures that renters may experience. Ownership also creates financial opportunity in other ways: owners can access home equity to invest in college education, business start-up or other key financial needs.*

**An Effective Strategy for Accelerating Affordable Homeownership Production**

The language included in SB 1530 as introduced provided the critically needed, \$15 million investment in the Homeownership Development Incubator Program (HDIP) administered by Oregon Housing and Community Services. In spring of 2023, developers of low-income and moderate-income, entry-level homes for purchase had the opportunity to apply for HDIP resources for the first time. Either as a stand-alone homeownership development tool or paired with LIFT—developers like Habitat for Humanity leveraged HDIP to stimulate the rapid construction of 292 new homeownership units statewide. Nearly half of these homes will provide first-time homeownership opportunities for Oregonians living in rural parts of the state.

**Timeliness for OHCS Implementation**

To promote affordable homeownership development, OHCS has issued a new “rolling” application process for LIFT and flexible homeownership development resources, open now through the fall of 2024. At present, OHCS has available \$40 million in LIFT for Homeownership resources and \$5 million in general funds. Homeownership developers like Habitat for Humanity share the concern that this funding blend will have a dampening effect on our homeownership development pipeline, especially in rural Oregon communities. We urge this committee and members of the Joint Ways and Means Committee to include \$15 million in flexible homeownership development resources in the OHCS budget. We stand ready to put these resources to use—continuing to

expand our state's supply entry-level homes for purchase. With the rolling application process already underway, OHCS has the mechanism in place to rapidly disburse these critical resources.

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. Habitat for Humanity of Oregon and the 24 local Habitat for Humanity affiliates we serve are well-positioned to help meet Oregon's supply shortfalls and expand support for Oregonians entering the housing market for the first time. **We urge your strong support for this \$15 million investment to help us increase the production of entry level homes for sale.**

As a network, Habitat for Humanity of Oregon and the affiliates we serve support many key allocations still included in SB 1530 with the -3 amendments, including:

- \$5 million for the Oregon IDA Initiative (**\$10 million would support current service levels statewide.**)
- \$7.5 million in the Healthy Homes program administered by the Oregon Health Authority

Thank you for your careful consideration of these remarks and continuing partnership as we work to address our state's housing needs.

With appreciation for all that you do,



Shannon M. Vilhauer, Executive Director