

Public Testimony March 9, 2018
Congresswoman Betty McCollum

Good morning, my name is Pam Johnson with Twin Cities Habitat for Humanity. Thank you for holding this important hearing.

Twin Cities Habitat has built over 1200 homes in the 7-county metro area since 1985, partnering with thousands of volunteers and Habitat homeowners. Thank you for being among them, Congresswoman McCollum, volunteers are the hands and heart of Habitat.

Our mission is to eliminate poverty housing from the Twin Cities and make decent affordable shelter for all people a matter of conscience. We are active members in the Homes for All Coalition, comprised of over 200 statewide organizations working to end homelessness, and make affordable rental and homeownership opportunities available to all Minnesotans.

At a recent gathering of over 600 Habitat families, I led a youth art project that involved decorating a house and completing the sentence I “heart” my home because...” One young girl wrote “I heart my home because it is next to my new school!” Her mother told me that their new Habitat home meant the end of moving from apartment to apartment, and school to school, in search of an affordable place without asthma-triggering mold. “She loves her new school, and she’s doing so well!” said her mom.

A Wilder Research report (in your packet), based on 200 interviews with Habitat homeowners found that 77% of kids study habits improved, 91% homeowners reported improved quality of life, and 92% of adults returned to school to increase their earning power. At every stage of life, where we live is the foundation for our health, education, safety, and economic wellbeing.

I was in DC for our Habitat on the Hill conference when the President’s FY19 budget was released. Hundreds of leaders, volunteers and homeowners met to prepare for Hill visits to call for action to address our nation’s affordable housing crisis. More than 18 million families dedicate over half of their paychecks to housing, and over a quarter of Minnesota households- about **550,000 families**- spend over 30% of their income on housing. Families are faced with cutting back on necessities like food, education and medicine to pay their rent or mortgage.

A recent U.S. mayors survey listed affordable housing as a top concern, regardless of party affiliation. Over half of mayors cited high housing costs as the most common reason people leave their cities.

The President's proposed budget eliminates or severely cuts every federal funding source used by Habitat, including:

- Elimination of the Community Development Block Grant, the Home Investment Partnerships Program, the Self-help Homeownership Opportunity Program, the Section 4 Program, and the Corporation for National and Community Service Agency, that oversees AmeriCorps.
- Major cuts are made to the Community Development Financial Institutions Fund that oversees New Market Tax Credits, and USDA's Section 502 and 504 rural support programs.

Habitat homeownership would not be possible without public sector investment. Federal funding is often the first project resource, leveraging a large return on investment through individual donors, congregations, foundations and corporations.

We seek the following for FY19:

- 1) A small increase for the Self-Help Opportunity Program (SHOP) from \$10M to \$15 M. SHOP is HUD's only source of funding for low-income homeownership projects.
- 2) A small increase for the Home Investment Partnerships Program (HOME), from \$950M to \$1 B, which has shrunk over the past decade. HOME helps close the gap between rising construction costs and flat wage growth.
- 3) Protection of the Community Development Block Grant at \$3.3 B, a critical resource for land purchase and construction costs.
- 4) Protection of the Corporation for National & Community Service Program and AmeriCorps at \$1.1 B. We pay half the cost of 27 AmeriCorps members, who work with over 16,000 volunteers to build and repair homes. This public-private partnership is also on-the-job training.
- 5) Protection of UDSA Section 502 funds at \$1B to support rural direct home loans, used by Greater MN affiliates.

Thank you for your strong partnership and advocacy during upcoming Appropriations discussions. We will continue to urge your colleagues to reject proposed drastic cuts. Thank you for all you do for all of us!