

House Bill 5182
Testimony of Lynne Punnett
Executive Director of Habitat for Humanity of Lenawee County

My name is Lynne Punnett and I am the Executive Director of Habitat for Humanity of Lenawee County. Thank you for this opportunity to provide testimony on House Bill 5182, which will enable us to more quickly build and rebuild Michigan neighborhoods hit hardest by foreclosure. This is certainly true in Lenawee County where we are working in both rural areas and in the City of Adrian, which is our targeted area.

I was really excited to share this opportunity to testify before you with my Board Monday evening and it is with their unanimous support of this Bill that I am here today and they understand why this will benefit our affiliate but like me, they also know that this Bill is not about Habitat for Humanity; it is much bigger.

With the long-term view in mind, this Bill will relieve housing non-profits of the short-term burden we have of paying property taxes. But what the math demonstrates for us is that this Bill will enable us to acquire and renovate more homes, and it will actually escalate the increase of property values and in turn property tax revenues for our city and county governments faster than if it is not passed. As you know, it's not just the home that is being renovated, surrounding property values go up when a vacant, boarded up, blighted property becomes the nicest home on the block. Habitats all over have seen time and time again how one renovation can spark the neighbors who live there to improve their homes as well, to clean up their local park, to rally together to remove graffiti and drive out drug dealers. These things increase all property values.

During the last two years when house prices were at their lowest, we knew the opportunity was short term so we purchased six foreclosed properties. We also accepted donation of one REO property and one home was donated by a family. We bought one on the open market and we bought one home at our County tax sale. That sounds really good but the real story is how many homes I have turned down, many of them free, because we cannot afford to pay the property taxes. Just last year, our small affiliate paid over \$16,000 in property taxes on those 10 homes. Now, prices are going up and rising prices is not the reason I am not buying more, one of the main reasons is this property tax burden that we will have during the period of time we own and renovate them.

For the last four weeks in a row, I have received calls and offers of free a home in the City of Adrian. This is the exact area we are targeting. In fact, at 4:00 today I will look at another one but it is mostly out of courtesy to the donor and in hopes that it is something really special and worth taking but with my heart aching I have turned each one of these down. Some of them are in such terrible condition that they need to be demolished, but most of the time that has not been the case.

The amount that we will pay in property taxes last year and this year on the homes we own right now would fund one entire home renovation in Lenawee County.

If this Bill passes, we will be able to do more. Property values and in turn revenues will increase faster and more jobs will be created with this Bill in place. Without it, more blighted properties will sit vacant and boarded up. Our local police officers will have more problems.

When I'm making a decision about whether I should do something or not, I ask myself what good will come if I do this or that. When considering whether I would stand before you and give this testimony, I asked myself that question and the answer was clear. I can only see good outcomes from this Bill.

Thank you for your time. It is a great honor for me to be here today.