



March 25, 2019

To: Joint Ways and Means Subcommittee on Transportation and Economic Development

RE: SB5512

Thank you Co-Chair Manning, Co-Chair Gomberg and Members of the committee, for your serious consideration of SB-5512, in particular we support the 20% soft set-aside for homeownership development.

My name is Erika Kennel, and I am the Vice President of Resource Development at Habitat for Humanity Portland/Metro East.

Too often, when we think about helping households with low-incomes to pay for their housing, we limit ourselves to thinking about rental homes. But SB-5512 addresses this short sightedness by naming homeownership—thereby prioritizing our need to address a shameful minority homeownership gap that will only deepen if we don't face it head on.

In the late 1940s, the GI Bill subsidy laid the foundation for building a strong middle class in our nation... largely through first time homeownership and almost exclusively for white Americans. I know that buying my first home was the single most important purchase of my life and I suspect that is true of all the homeowners in the room today.

But even all these years later, White Americans like myself, are still receiving most of benefits that come from owning a home. In fact in Portland we have a nearly 30% gap between black homeowners and white homeowners--- due to racist government policies that kept neighborhoods segregated and restricted people of color from buying a home. Improving minority homeownership rates is the only way to alleviate the gap and move toward a future where people of color can benefit financially as much as their white neighbors always have.

Habitat for Humanity has been tackling this issue head on. In Portland alone, we've built and repaired homes for nearly 2,000 people, with over 80% being successful homeowners of color.

As Dr. King said, "we now have the techniques and the resources to get rid of poverty. The real question is whether we have the will." Habitat for Humanity and other organizations like Hacienda CDC, Proud Ground, the African-American Alliance for Homeownership and PCRI have waiting lists of mortgage-ready homebuyers of color but there are no affordable homes on the market to buy.

That's why I am here today to ask you for your support of SB 5512 that will allow homeownership organizations to apply for up to \$75,000 per home to help stimulate development of permanently affordable homeownership. LIFT funds for homeownership significantly expand our ability to serve more families and help close the minority homeownership gap, because our greatest barrier to doing more is our ability to buy land. We have the donors and volunteers lined up to build houses, and families lined up to buy them, if this Bill is funded, we can do more immediately.

We endorse Governor Brown's request of \$130 Million in General Obligation bonds to support the LIFT program. Along with our colleagues in affordable rental home development, I am here asking this committee to strongly consider an even greater investment of \$200 million in article XI-Q general obligation bonds.

It is time for us to come together and help bridge the racial divide that has resulted from our local, state and federal government's policies over many decades, and to take a giant step toward fulfilling Dr. King's dream of the "beloved community."

Erika Kennel
VP of Resource Development

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