



Feb. 28, 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 Sarah Radcliffe and I am writing on behalf of Habitat for Humanity Portland Region 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 production of additional 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 to build 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 the suggested LIFT for Homeownership allocation meets its intended reach.*

- \$13.6 million in down payment assistance for homebuyers tied to OHCS lending products: *We see this request as a floor, not a ceiling, for this key resource to expanding first-generation homebuyers' purchase power in our state — 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.*

In the Portland region, we are faced with skyrocketing housing costs, which are integrally tied to wealth and health disparities. Majority white homeowners have reaped a windfall in equity growth over the past few decades, while BIPOC households and younger families have scrambled to keep up with rising rents and have been almost entirely closed out of homeownership. Black Portlanders own homes at half the rate of white Portlanders, and this gap is worsening. BIPOC homeownership has suffered from redlining and urban renewal, and more recently, predatory lending, displacement and gentrification, and the inequitable economic fallout of the pandemic. Compounding those factors, rising interest rates and inflation means that [half as many Black Americans](#) can afford home ownership today as could in 2021.

In partnership with local communities, Habitat Portland Region is working to change the trajectory for hundreds of families through homeownership. We are using the funds currently available in Oregon, and we are prepared to do more. Over 80% of our region's Habitat homeowners are households of color. From East Portland, to Lake Oswego, to Hillsboro, we have built or are currently building 167 homes through LIFT funds. Most of our homebuyers use IDAs to save for their closing costs. As interest rates rise and inflation drives up construction costs, downpayment assistance is even more critical to close the gap between the cost of housing and the price many families can afford. With more state funds, Habitat Portland Region is poised to scale up our impact.

The Governor's Recommended Budget includes more than \$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 groundbreaking 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 black ink, appearing to read "Sarah Radcliffe".

Sarah Radcliffe
Director of Government Relations
Habitat for Humanity Portland Region