

Chair Holvey, Vice Chair Bonham, Vice Chair Grayber and Members of the Committee: my name is Mary Vogel and my WBO/ESB certified in Oregon is PlanGreen. I am co-founder of the Portland, OR Small Developer Alliance and a member of several other housing groups, but I am testifying solely on behalf of myself and my planning consulting business. In seeking to get to the root cause of the State's housing crisis, I have delved into housing finance from the federal government on down. So far, I found the testimony of Oregon Public Banking Alliance's Scott Shurtleff most compelling.

In the article Shurtleff cites: <https://www.theatlantic.com/magazine/archive/2020/07/coronavirus-banks-collapse/612247/>), Frank Partnoy, professor of law at UC Berkley writes: "You may think that such a crisis is unlikely, with memories of the 2008 crash still so fresh. But banks learned few lessons from that calamity, and new laws intended to keep them from taking on too much risk have failed to do so. As a result, we could be on the precipice of another crash, one different from 2008 less in kind than in degree. This one could be worse." Partnoy goes on to explain how big banks are even more leveraged now on CLOs as opposed to CDOs. "The CLO, or collateralized loan obligation. A CLO walks and talks like a CDO, but in place of loans made to home buyers are loans made to businesses—specifically, troubled businesses." Shurtleff assures us that municipal banks will be lower risk than the national money center banks beholden to shareholders: "Municipal banks will be accountable to work for the public benefit of their cities, as spelled out in the bank's charter. Like any bank, a board of directors will have oversight of the bank, except this board of directors will be making sure that the bank is fulfilling its obligation to the municipality, its residents and its local businesses."

I am looking forward to the day that Small Developer Alliance members will be able to borrow the money they need to develop their housing projects from local credit unions working with a municipal bank. That can make small developers better able to play a significant role in solving our housing crisis. I urge you to support HB 2743 to bring municipal banks to Oregon's cities at this crucial moment. Now more than ever, we need to keep our public funds local and put them to work locally.

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