



*Housing Oregon  
Board members:*

March 8, 2019

*Sheila Stiley,  
Board chair – NW  
Coastal Housing*

Representative Alissa Keny-Guyer  
Chair

*Diane Linn,  
Vice-chair - Proud  
Ground*

House Committee on Human Services and Housing  
900 Court St. NE, H-272  
Salem, OR 97301

*Travis Phillips,  
Secretary  
–Catholic Charities  
of Oregon*

Dear Chair Keny-Guyer, Vice-Chair Noble, Vice-Chair Sanchez,  
and Members of the Committee:

*Trell Anderson,  
Treasurer –NW  
Housing  
Alternatives*

RE: [HB 3349](#) – Support - Reduce Mortgage Interest Deduction;  
Savings Transfer to Oregon Housing Fund

*Rachael Duke -  
Community  
Partners for  
Affordable Housing*

Housing Oregon is a membership-based statewide association of affordable housing community development corporations (CDCs) committed to serving and supporting low-income Oregonians across the housing needs spectrum – from homeless to homeowner. We support and strengthen our members by providing training on industry best practices, peer support networks, communications, and advocacy on local and statewide policy issues.

*Ernesto Fonseca -  
Hacienda CDC*

*Nkenge Harmon  
Johnson – Urban  
League of Portland*

We are working towards a day when every Oregonian has a safe and healthy place to call home.

*Sean Hubert-  
Central City  
Concern*

HB 3349 is a common-sense and effective response to Oregon's statewide housing crisis. We applaud the leadership of Governor Kate Brown advocating for significant new investments in affordable housing and homelessness programs. We also need to champion new revenue sources to fund these programs.

*Richard Morrow  
–Columbia  
Cascade Housing  
Corp.*

The bill expands revenue to strengthen homeownership and prevent homelessness without having to raise any new revenue. HB 3349 accomplishes this by redirecting \$150 million each budget period from a modest reform of the mortgage interest deduction and dedicates those funds to the Homeownership Assistance Account and the Emergency Housing Account.

*Lisa Rogers –  
CASA of Oregon*

The mortgage interest deduction costs Oregon nearly \$1 billion per budget period, making it the state's biggest housing subsidy. HB 3349 phases out the deduction for Oregon's wealthiest 5% - those who can most easily afford housing. It retains the deduction for 95% of homeowners. It eliminates the deduction for owners of vacation homes.

The deduction is structured to benefit the most well-off homeowners – 60% of the subsidy goes to the richest fifth of Oregonians. Many low-income and middle-income homeowners do not benefit from the deduction.

Through a racial equity lens, lack of access to homeownership is a critical issue for Oregon's communities of color. According to the Oregon Housing and Community Services' newly released Statewide Housing Plan, African Americans experience a homeownership rate of 32% compared to a rate of 61% for all Oregonians. For Hispanics the rate of homeownership is 39%.

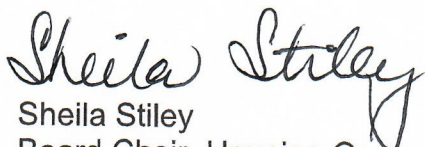
Likewise, when looking at households experiencing homelessness, communities of color are disproportionately affected by Oregon's affordable housing crisis. African Americans make up 6% of our homeless population while being only 1.8% of the total population. Native Americans are 4.2% of the homeless population and 1.2% of the total population.

Rural Oregonians are also disproportionately impacted by the housing crisis compared to other rural areas across the U.S. According to the Statewide Housing Plan, while housing costs are lower in rural areas compared to urban areas, in Oregon they are higher than in the rest of the rural U.S. Compounding the problem, median family incomes in rural Oregon are \$42,750 compared to \$54,420 in urban counties.

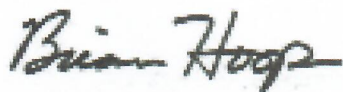
Please support HB3349.

Thank you for taking the time to read our letter and for your thoughtful attention to this critical issue. Feel free to contact me, Brian Hoop, at 503-475-6056 or Sheila Stiley at 503-270-3071.

Sincerely,



Sheila Stiley  
Board Chair, Housing Oregon  
Executive Director, NW Coastal Housing



Brian Hoop  
Director, Housing Oregon