



HOUSING ALLIANCE

April 15, 2019

House Committee on Revenue
Oregon State Legislature
900 Court Street NE
Salem, OR 97301

Dear Chair Nathanson, Vice Chair Findley, Vice-Chair Marsh, and members of the Committee:

I am writing to you today on behalf of the Oregon Housing Alliance to express our support for HB 3349A, which will help ensure investments in critical housing needs in our communities.

The Oregon Housing Alliance is a coalition of ninety organizations from all parts of the state. Our members have come together with the knowledge that housing opportunity is the foundation on which all of our success is built – individual success as students, parents, workers, and community members as well as the success of our communities. We represent a diverse set of voices including non-profit housing developers, residents of affordable housing, local jurisdictions, and organizations working to meet basic needs in every corner of our state.

We believe that all Oregonians need a safe, stable, and affordable place to call home.

We simply don't have enough affordable homes for people who need them, and vacancy rates have dropped precipitously towards zero in communities across Oregon. People – our neighbors and members of our community – are struggling with homelessness, housing instability, rent burdens, and to make ends meet and put food on the table. During the last school year, over 21,750 of our school children in grades K – 12 experienced homelessness at some point during the year.

Oregon is expected to spend over \$970 million dollars this biennium to allow homeowners in Oregon to deduct their mortgage interest from their state income taxes. In its current form, this deduction is not helping to address any of our current housing challenges. We believe we can recalibrate the structure of this deduction to continue helping those with moderate incomes, while reinvesting our expenditures towards people who need assistance in finding a safe, stable and affordable home.

The common-sense reforms included in HB 3349A would phase out the deduction for high income earners and disallow the deduction for second homes. This balanced proposal preserves the benefits of the mortgage interest deduction for the vast majority of Oregon's homeowners, while limiting it for those who don't need help covering their housing costs.

HB 3349A would then reinvest the proceeds from this smart and modest reform into proven strategies such as increasing access to affordable homeownership programs, developing additional affordable homeownership opportunities, and helping to prevent and end homelessness for children, families, and youth who are either aging out of the foster care system or are unaccompanied and experiencing homelessness. Our state cannot afford to subsidize vacation homes when thousands of Oregonians have no home at all, and many more are struggling to make ends meet, and cannot achieve their dream of homeownership.

We know that homeownership brings many opportunities and stability to families, and the most effective way to help more Oregonians become homeowners is through programs such as down payment assistance and the development of new affordable for-sale homes. While the mortgage interest deduction does not increase homeownership rates, these kind of targeted programs will help open the door to homeownership for the many Oregonians who are shut out in this market.

In the midst of the current housing challenges across our state, we have an opportunity to make our housing policy more equitable and use these resources to meet urgent housing needs.

We know what home, and what stable housing, means to all of us. When people have safe and stable housing, it has important and significant benefits, and allows people to build for their futures. Kids are able to focus on the things that matter – being kids, doing their homework – instead of worrying about where their families will sleep at night. Parents are able to focus on work, on family, and on community. Safe and stable housing that people can afford is key to accessing opportunity.

We urge you to support HB 3349A.

Thank you very much for your time, and for your service to our state.

Sincerely,

A handwritten signature in black ink that reads "Alison McIntosh". The signature is written in a cursive, flowing style.

Alison McIntosh
On Behalf of the Oregon Housing Alliance