



HOUSE OF REPRESENTATIVES
900 COURT ST NE
SALEM, OR 97301

March 12th, 2019

Testimony in Support of HB 3349

As Chair of the House Committee on Human Services and Housing since 2015, I have witnessed the tremendous need for safe, stable, affordable housing from Oregonians across the state, from the homeless, to distressed renters, to low and moderate income people who want to purchase homes or who already own homes but are struggling to keep up with mortgage payments and repairs.

While we struggle to allocate \$10-40 million for a variety of these programs, our LARGEST HOUSING SUBSIDY of 1 billion dollars per biennium go to current home owners, where 60% of the subsidy goes to the top 20% income earners and people who own vacation homes. Some MID recipients do not need this housing subsidy anywhere near as much as the many Oregonians who are truly struggling with housing.

HB 3349 would eliminate the Mortgage Interest Deduction (MID) for second (vacation) homes that do not get the business tax deduction derived from short or long-term rentals and would phase out the MID for the highest income Oregonians. The phase out would begin for households earning \$200K AGI/year and would be eliminated for those making over \$250K AGI/year. It would only impact approximately 5% of MID recipients leaving close to 95% of MID recipients unaffected.

Revenue saved from eliminating this subsidy for the highest income Oregonians would be redirected to the Housing Opportunity Account, held at Oregon Housing and Community Services (OHCS) and allocated by its Housing Stability Council in two areas:

1. Affordable homeownership to fund programs that may include but not be limited to:

- revolving loan fund to build new affordable homeownership option;
- down payment assistance;
- land acquisition fund to help nonprofits and housing authorities acquire land for future development of affordable homeownership;
- critical health and safety home repairs, weatherization, and seismic upgrades for existing homeowners with low and moderate incomes, particularly for veterans, people with disabilities or seniors aging in place, living in site built and manufactured homes;
- grants or loans to replace aging and unhealthy manufactured homes;
- loans to low and moderate-income homeowners to build ADU's for affordable long term rentals in communities with rental vacancy under 3 percent;
- foreclosure counseling for families facing foreclosure;
- capacity building, technical assistance, and training: additional capacity is needed, particularly to address needs in rural communities and racial disparities in homeownership.



2. Homeless prevention to fund programs that may include but not be limited to:

- long term rental assistance vouchers, including some level of case management. The amounts per family vary based on the area of the state. For \$20 million per biennium, we could serve 500 – 600 families with long term rent assistance and case management;
- long term services or supports for permanent supportive housing for families. We could serve 500 households per biennium;
- mobile housing team pilot programs, serving 275 households a year with one year of rent assistance and rapid rehousing;
- SRO style housing for youth aging out of the foster care system;
- services to youth aging out of the foster care system to serve 700 kids;
- help 60 families seeking safety from violence with rent assistance, case management, and flexible funds;
- support 40 families to achieve family reunification after involvement of child welfare, including short term rental assistance and case management, (\$2000/family/month, or \$24,000 for 12 months of services for one family)

For the reasons outlined above, and to underscore the fact that more Oregonians need access and opportunity to affordable homeownership and programs that prevent homelessness, I ask for your support on HB 3349.

Sincerely,



Representative Alissa Keny-Guyer