



Portland Housing Bureau

March 10, 2021

Representative Fahey, Chair
House Committee on Housing

Dear Chair Fahey and Members of the Committee:

The Portland Housing Bureau supports HB 2578 in reforming the Mortgage Interest Deduction (MID).

Currently the MID is structured in a way that disproportionately benefits those that are already stably housed. Many low- and middle-income earners do not benefit from the deduction at all or to the extent of high-income earners.

Portland's Black, Indigenous, and other People of Color (BIPOC) continue to have disproportionately lower homeownership rates compared to White households. As of February, in Portland the median home price reached \$500,000 with no sign of dropping, making homeownership out of reach for many of our community members.

HB 2578 takes a commonsense approach to reforms of the MID:

- Maintains the deduction for primary residences
- Refocuses resources towards supporting low-income BIPOC first-time homebuyers
- Promotes housing and homeownership for individuals experiencing a disability
- Supports needed repairs, weatherization, and seismic upgrades to low-income homeowners
- Enables non-profit housing developers to build affordable homes
- Continues to support small Oregon businesses by allowing the MID as an expense deduction for second homes that are used as short or long-term rentals

Increasing homeownership rates will support housing stabilization and the potential for generational wealth for communities across the state, especially those historically locked out of these opportunities. HB 2578 is a necessary first step in addressing the racial wealth and homeownership disparities in the State.

The Portland Housing Bureau respectfully urges your support of HB 2578.

Sincerely,

Shannon Callahan