Habitat for Humanity®
of Oregon

March 29, 2021

RE: **Support for SB 852**

Dear Chair Jama, Vice Chair Linthicum and Members of the Committee:

My name is Shannon Vilhauer, and I am the Executive Director of Habitat for Humanity of Oregon. On behalf of our Board of Directors and the 25 local Habitat for Humanity offices we serve, I am writing to express our enthusiastic support for SB 852.

Many people mistakenly believe that community members with the least means receive the greatest percent of government support for essentials like housing. In fact, the highest income earners in the United States receive our nation's biggest housing subsidy.

Few people realize how disproportionally the Mortgage Interest Deduction benefits the most affluent members of our society. As Prosperity Now recently documented, our nation's highest income earners receive an average, annual Mortgage Interest Deduction benefit of $12,000. In contrast, homeowners who earn less than $50,000 per year receive an average, annual Mortgage Interest Deduction benefit of $18. These discrepancies are stark.

Together with other members of the Oregon Housing Alliance, Habitat for Humanity of Oregon asks you to consider refocusing a small portion of this huge, state budget expenditure to increase statewide housing opportunities that will build strength and stability for Oregon children, families and the communities we all share.

By adjusting Oregon's state Mortgage Interest Deduction in a manner that preserves the same benefit for over 95% of homeowners, Oregon can free up at least $150 million per biennium to provide critical investments in stable and affordable homes. Oregon homeowners will still have access to the federal Mortgage Interest Deduction.

Homeownership is an incredible wealth building opportunity for households of modest means. We know that through policies like redlining and disparate access to credit, people of color have not had fair access to homeownership opportunities in the United States. Over decades, this disparate access has resulted in a well-documented racial wealth gap. The Mortgage Interest Deduction as currently written reinforces these decades of harm.

For 30% of households in the United States, their home is their only source of wealth. Prosperity Now also conducted a study in 2016 on families who earn the median income in their communities. For renters at this income level, household net worth was $5,200. Homeowners at the same income level had $200,000 in household wealth.

We believe that supporting SB 852 will lead to greater student achievement. This bill seeks to redirect over $150 million in anticipated savings in two key ways:

- Increase access to affordable homeownership opportunities.
- Stabilize Oregonians experiencing homelessness, including children.

Habitat for Humanity partners with families of modest means to enable them to break the cycle of intergenerational poverty by purchasing a key asset: their home. Habitat for Humanity of Oregon recently conducted a statewide homeowner impact study that highlights the educational benefits experienced by the children living in Habitat homes:
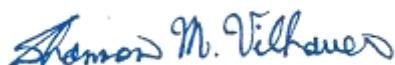
- 63% of the children we serve received better grades after moving into their Habitat home.
- 92% of the children raised in Habitat homes graduated from high school, exceeding Oregon's high school graduation rate by 16%.

The children of Habitat homeowners also experience improved health outcomes, receive higher adult earnings and are far more likely to become homeowners themselves.

The greatest housing subsidy from state government should not keep going to the people who need it the least. We ask you to invest instead in both ends of the housing continuum. Make it a true priority to provide safe and adequate shelter for Oregon's kids. Empower hardworking Oregonians to plants roots in their community, build wealth and contribute to cities and towns we can all be proud to call home.

Please support SB 852. Thank you for your dedicated service and sheer hard work.

With heartfelt thanks for all that you do,

Shannon M. Vilhauer, Executive Director