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Counties

Brian Shelton-Kelley  
- NeighborWorks  
Umpqua

March 30, 2021

Senator Kayse Jama  
Chair, Senate Committee on Housing and Development  
900 Court St. NE, Rm 453  
Salem, OR 97301

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

*RE: SB 852 – Support – Disallows, for purposes of personal income  
taxation, mortgage interest deduction for residence other than  
taxpayer’s principal residence, unless taxpayer sells residence or  
actively markets residence for sale*

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.

SB 852 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.

The bill expands revenue to strengthen homeownership and prevent  
homelessness without having to raise any new revenue. SB 852  
accomplishes this by redirecting over \$100 million each budget period  
from a modest reform of the mortgage interest deduction and dedicates  
those funds to the Oregon Housing Opportunity Account.

The mortgage interest deduction costs Oregon nearly \$1 billion per  
budget period, making it the state’s biggest housing subsidy. SB 852  
phases out the deduction for Oregon’s wealthiest 5% - those who can  
most easily afford housing. It retains the deduction for 95% of

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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' 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%.

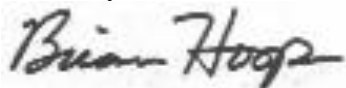
Likewise, when looking at households experiencing homelessness, communities of color are disproportionately affected by Oregon's affordable housing crisis. African Americans make up 6% of our homeless population while being only 1.8% of the total population. Native Americans are 4.2% of the homeless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

Please support SB 852.

Thank you for taking the time to read our letter and for your thoughtful attention to this critical issue. Please feel free to contact me if you have questions at 503-475-6056 or [brian@housingoregon.org](mailto:brian@housingoregon.org).

Sincerely,

A handwritten signature in black ink that reads "Brian Hoop". The signature is written in a cursive, slightly slanted style.

Brian Hoop  
Executive Director  
Housing Oregon