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*Brian Shelton-Kelley  
- NeighborWorks  
Umpqua*

May 11, 2021

Senator Ginny Burdick  
Senator Brian Boquist  
Chair and Vice-Chair, Senate Committee on Finance & Revenue  
900 Court St. NE, Rm 160  
Salem, OR 97301

*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*

Chair Burdick, Vice-Chair Boquist, and members of the  
Senate Committee on Finance and Revenue:

Housing Oregon is a membership-based statewide association of affordable housing nonprofits committed to serving and supporting low-income Oregonians across the housing needs spectrum – from homeless to homeowner. We are working towards a day when every Oregonian has a safe and healthy place to call home.

SB 852 is a common-sense and effective response to Oregon’s statewide housing crisis. We appreciate the Legislature’s efforts supporting significant new investments in affordable housing and homeless services. We also need to champion new revenue sources to fund these programs.

This bill expands revenue to strengthen homeownership and prevent homelessness without having to raise any new revenue. SB 852 accomplishes this by redirecting \$200 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 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%.

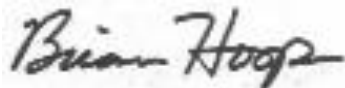
Likewise, when looking at households experiencing homelessness, communities of color are disproportionately affected by Oregon's affordable housing crisis. African Americans make up 6% of our homeless population while being only 1.8% of the total population. Native Americans are 4.2% of the homeless 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 your thoughtful attention to this critical issue and for your public service. 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