



DATE: April 19, 2023
FROM: Sammi Teo, Public Policy Advocate
RE: Support for SB 976 to Prevent Homelessness and Promote Homeownership

Chair Meek, Vice-Chair Boquist, and Members of the Senate Committee on Finance & Revenue,

Oregon Food Bank's mission is "to eliminate hunger and its root causes... *because no one should be hungry.*" We pursue this goal in two key ways: we foster community connections to help people access nutritious food today, and we advocate to change policies that drive hunger and poverty.

Food security and stable housing go hand-in-hand

Lack of stable housing is a primary driver of food insecurity. Oregonians who are [renters are six times more likely to experience hunger than Oregonians who are homeowners](#). In Oregon, [more than 50% of renters do not have enough money left over after rent to pay for food, medicine, and other basic necessities](#). In our experience working in communities that disproportionately face food insecurity, we have heard loud and clear that the lack of affordable housing in Oregon is a primary reason why more than one in eight kids in Oregon lives in a household that struggles to afford food.

SB 976 makes critical investments to address Oregon's housing and homelessness crisis by making common-sense reforms to Oregon's Mortgage Interest Deduction

Oregon faces a crisis of affordable housing and homelessness. We commend the legislature making recent investments in housing, but we know that further action is still needed to match the scope of the problems Oregon faces. SB 976 invests in two key areas that bring us closer to the goal of ensuring everyone has a safe and affordable place to call home: **promoting homeownership for families with lower incomes, and preventing and addressing houselessness in Oregon.**

The bill accomplishes this by making long-overdue common-sense reforms to Oregon's Mortgage Interest Deduction (MID). Oregon spends roughly one billion dollars every budget period on the MID, making it our state's biggest expenditure on housing. Yet an audit of the program by the Oregon Secretary of State last year reported that "roughly **18,000 taxpayers with incomes in the top 1% ... received more benefit from the MID than the 727,000 taxpayers in the bottom 40% combined.**" When so many families across Oregon are struggling with housing instability, it simply doesn't make sense to make major expenditures to households who are in no need of support from the state.

Importantly, **for most families across the state, SB 976 will result in no change in their tax obligations.** Only when household income rises beyond \$200,000 annually will the MID begin to phase out. The MID will also be disallowed for any home other than the taxpayer's primary residence. This means that Oregon will no longer subsidize vacation homes or second homes.

SB 976 is a common-sense piece of legislation that re-prioritizes these expenditures to make life-changing investments for families working toward the dream of home ownership, and to address and prevent houselessness in Oregon. We urge your support for SB 976.

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