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Dear House Human Services and Housing Committee, Chair Keny-Guyer, Vice Chairs Noble and Sanchez, and Members of the Committee:

I am the owner of Think Real Estate, a real estate brokerage in Portland.

According to the Federal Reserve, people's primary residences account for 25% of all assets held by households. This is more than any other financial assets, business interests, or retirement accounts. Owning this one asset makes a huge difference in a person's ability to build up wealth—in 2017, the average renter had a net worth of \$5400, while the average homeowner had a net worth of nearly \$200,000.

Now let's talk about homeownership rates. In Oregon in 2017, 62% of all households owned their own home. But the rate of homeownership among black Oregonians is 32%. Even worse, in the last 30 years, homeownership has decreased by almost 15% among black Oregonians. Remember how homeownership is such a critical tool for building long-term wealth—well, the average white household has a net worth that is 13 times higher than the average black family. This means more money to be comfortable in retirement, more money to live longer, and more money to pass along to future generations to continue the cycle.

So, owning a home is arguably the greatest way to build long-term financial stability, but over the last 30 years, homeownership rates have decreased, especially among people of color, and at the same time, wealth inequality has grown and our homeless population has grown.

What are we doing to work on the issue? The state foregoes hundreds of millions of dollars of tax revenue each year on the mortgage interest deduction. Why do we contribute such a staggering amount of money on a policy that is a clear driver of wealth inequality?

HB 3349 is a smart solution and would generate money for housing services that we desperately need.

First, the bill eliminates the deduction for vacation homes. If you can afford to make the mortgage payment on a second home, you can afford to pay the income tax on that money. I don't buy the argument that tourist cities will be decimated because no one can afford to own a second home there. Even if everyone did sell their second homes, wouldn't that be progress because it would create more homes for full-time residents?

As far as the richest 5% go, I also don't see that a person making that much money needs a subsidy. This bill will not cause the richest Oregonians to fall into foreclosure, or force them to move out of state. They will continue to own homes, but without taking a subsidy that we can't afford to give.

The mortgage interest deduction subsidizes rich people while providing zero relief for rent-burdened people, zero relief for the homeless, and far less support for people of color than for white people. This is not a simple tax bill—this is an issue of fairness. Please help more Oregonians achieve financial stability through homeownership by supporting HB 3349. Thank you.

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