

Please Support HB 3349
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April 13, 2019

Both Deschutes and Jefferson County have an unusually high number of vacant homes that are not for sale or rent, but utilized as seasonal, recreational, vacation rental, investment, or occasional use. **Deschutes County has 13.5%** such homes, and **Jefferson County has 14.7%** of homes that fall into this category. These vacancy rates are more than triple the national average. For comparison, Marion County has only 0.9% of vacant homes in this category (Source - [Headwaters Economics: Demographic Profiles](#)). The 2018 [City of Sisters Housing Needs Analysis](#) reports a vacant residential unit rate of **29.4%**.

These vacancy rates are partly caused and supported by Oregon's current mortgage interest deduction (MID). HB 3349 is needed to reform Oregon's largest housing subsidy and discontinue the MID for homes that are not in use as a primary residence. HB 3349 would also discontinue the MID for homebuyers who earn over \$250,000 a year. HB 3349 would provide much needed funding for homeownership and housing programs.

Negative effects of Central Oregon's high vacant home rate:

- **Exacerbates Central Oregon's housing crisis:** Residents dependent on local job earnings can't compete with outside investors or affluent homebuyers. Crucial housing stock is lost as existing homes are taken out of residential use.
- **Poor utilization of land and resources:** Valuable resources such as buildable residential land, roads, utilities, water, fire protection, police protection, schools, etc..., are utilized for homes that do not serve their intended purpose- to provide homes for residents.
- **Degrades community:** The social fabric of a community becomes fragmented when 1 in 8 homes are vacant, and when local residents are priced out of their communities.

While thousands of homes sit empty, many Central Oregonians are struggling to afford housing in the communities where they live, work, and contribute. More residents are suffering from housing cost burden, displacement, and homelessness, and homeownership rates have declined. This housing crisis has many detrimental impacts on families, children, workers, students, and the broader community. Also, Central Oregon's housing crisis has become a barrier for economic development, and a burden on public health and social services.

Since 2008, there has been an upward trend in the use of residential homes as financial commodities - a way to diversify one's investment portfolio. Oregon's current mortgage interest deduction promotes this trend. It's time for Oregonians to stop subsidizing homebuyers of investment, vacation, or second homes, or homebuyers who earn over 400% of Central Oregon's Area Median Income.

HB 3349 retains the MID deduction for those earning less than \$250,000, and allows second homes utilized as long-term rentals to still qualify for the deduction. The passage of HB 3349 would create funding to enable more Oregonians to access homeownership, and allow more families and children to experience the security that comes with an affordable and stable home. These efforts will help not only individuals and families, but will support strong and resilient communities.