



*Housing Oregon
Board members:*

April 15, 2019

*Sheila Stiley,
Board chair – NW
Coastal Housing*

Representative Nancy Nathanson
Chair
House Committee on Revenue
900 Court St. NE, H-279
Salem, OR 97301

*Diane Linn,
Vice-chair - Proud
Ground*

*Travis Phillips,
Secretary –
Catholic Charities
of Oregon*

Dear Chair Nathanson, Vice-Chair Findley, Vice-Chair Marsh and
Members of the Committee:

RE: [HB 3349A](#) – Support - Reduce Mortgage Interest Deduction;
Savings Transfer to Oregon Housing Fund

*Trell Anderson,
Treasurer –NW
Housing
Alternatives*

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.

*Rachael Duke -
Community
Partners for
Affordable Housing*

*Ernesto Fonseca -
Hacienda CDC*

*Nkenge Harmon
Johnson – Urban
League of Portland*

We are working towards a day when every Oregonian has a safe and healthy place to call home.

*Sean Hubert-
Central City
Concern*

HB 3349 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.

*Richard Morrow –
Columbia Cascade
Housing Corp.*

*Lisa Rogers –
CASA of Oregon*

The bill expands revenue to strengthen homeownership and prevent homelessness without having to raise any new revenue. HB 3349 accomplishes this by redirecting \$150 million each budget period from a modest reform of the mortgage interest deduction and dedicates those funds to the Homeownership Assistance Account and the Emergency Housing Account.

The mortgage interest deduction costs Oregon nearly \$1 billion per budget period, making it the state's biggest housing subsidy. HB 3349 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' newly released 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%.

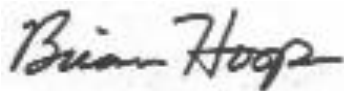
Likewise, when looking at households experiencing homelessness, communities of color are disproportionately affected by Oregon's affordable housing crisis. African Americans make up 6% of our homeless population while being only 1.8% of the total population. Native Americans are 4.2% of the homeless 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. Compounding the problem, median family incomes in rural Oregon are \$42,750 compared to \$54,420 in urban counties.

The need for new revenue to fund the Governor's agenda is urgent. Please support HB3349.

Thank you for your thoughtful attention to this critical issue. Feel free to contact me, Brian Hoop, at 503-475-6056 or 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
Director, Housing Oregon