

## Testimony in Support of SB 852

Greetings Chair Jama, Vice-Chair Linthicum, and members of the Senate Committee on Housing and Development:

I am writing in support of SB 852. As a resident of Deschutes County for over 20 years I have seen wealth inequality and housing insecurity increase drastically. I witness how our housing crisis crushes people's hope and creates chronic stress and instability within communities. The status quo benefits some tremendously, yet leaves a large percentage of Oregonians cost burdened, displaced, locked out of homeownership, and sometimes homeless.

Rural Central Oregon is suffering tremendously from our housing crisis – while Oregon's biggest housing subsidy — the mortgage interest deduction — overwhelmingly benefits urban and affluent homeowners.

Communities have enacted housing solutions that work incredibly well, but these solutions are not up to scale to meet the needs in our communities. More funding is needed. SB 852 is a common-sense way to bring these solutions up to scale without raising any new taxes.

Central Oregon has 12,891 homes that no one lives in – they are occasional use vacation or investment homes. Several Oregon coastal communities have an even higher rate of empty homes. This trend exacerbates the housing crisis and does not need to be subsidized. People who can afford a 2<sup>nd</sup> or 3<sup>rd</sup> home, do not need a tax break for this purpose - especially, when so many Oregonians are fighting just to keep a roof over their heads.

As Daniel Hauser points out – this bill is reasonable. It would “scale back the state mortgage interest deduction for all filing types starting at \$200,000 in adjusted gross income and completely ends the state subsidy at \$250,000. This protects the deduction for 95 percent of taxpayers – only targeting the richest 5 percent who do not need the state to subsidize their homes.”

Economists and analysts across the political spectrum agree that the mortgage interest deduction is poorly designed public policy. In the face of the housing crisis afflicting our state, it is urgent that the legislature transform the state's biggest housing subsidy into a vehicle for addressing the crisis.

Sincerely,  
Beth Jacobi  
Bend, Oregon

.