



March 30, 2021

RE: Support for SB 852

Dear Chair Jama, Vice-Chair Linthicum, and members of the Committee,

My name is Peg Malloy and I am the Executive Director of the Portland Housing Center. The Portland Housing Center provides counseling, education, and financial services to first time homebuyers in Multnomah, Washington, and Clackamas Counties with offices in Portland and Beaverton. I'm writing to express our support of SB 852.

Homeownership is the biggest wealth generator for many families, especially our target markets of low to moderate income and BIPOC families. Unfortunately homeownership is increasingly out of reach for these families as home prices rise and inventory has hit historically low levels. The Portland Metro area has hovered around one month of inventory for the last nine months. At the same time, the median purchase price has jumped 15% from last year (RMLS, Feb 2021). The need for new, affordable homeownership opportunities is dire.

One way to support these needed homeownership opportunities is by restricting the biggest housing subsidy currently offered to Oregonians, the Mortgage Interest Deduction (MID). The MID costs Oregon more than \$1 billion per biennium and over 60% of this subsidy current benefits the richest fifth of Oregonians. By phasing out the deduction for the richest 5% of Oregonians some of this subsidy can be redirected to those with a greater need through the creation of the Oregon Housing Opportunity Account. It's estimated that \$200 million could be redirected per biennium to help confront our current housing crisis.

We urge your support of this commonsense reform.

Sincerely,

Peg Malloy
Executive Director
Portland Housing Center