



Portland Housing Bureau

Commissioner Carmen Rubio • Interim Director Molly C. Rogers

April 11, 2023

Senator Mark Meek, Chair
Senate Committee on Finance and Revenue

Dear Chair Meek and Members of the Committee:

The City of Portland supports SB 976 in reforming the mortgage interest deduction (MID).

Currently the MID is structured in a way that disproportionately benefits those that are already stably housed. The Secretary of State published a report in March 2022 demonstrating that the MID is a regressive tax expenditure that disproportionately benefits wealthier Oregonians. Many low-and middle-income earners do not benefit from the deduction at all or to the extent of high-income earners.

Portland's Black communities, Indigenous communities, and other communities of color continue to see disproportionately lower homeownership rates compared to white households. In 2021, Portland's median home price reached \$525,000 with no sign of dropping, leaving homeownership out of reach for many of our community members.

SB 976 takes a commonsense approach to reform the MID by:

Removing the MID for the highest-income Oregonians and for second homes.

Dedicating recaptured funds to promote affordable homeownership and end homelessness.

Investing in proven solutions to close Oregon's racial homeownership gap.

Implementing a recommendation of the Joint Task Force on Addressing Racial Disparities in Home Ownership (JARDHO).

Phasing out the MID by income to avoid a "cliff" that significantly impacts taxpayer obligations.

Increasing homeownership rates will support housing stability and the potential for generational wealth for communities across the state, especially those historically locked out of these opportunities. SB 976 is a necessary first step in addressing the racial wealth and homeownership disparities in Oregon.

The City of Portland respectfully urges your support of SB 976.

Sincerely,

A handwritten signature in blue ink that reads "Molly C. Rogers". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Molly C. Rogers

Interim Director Portland Housing Bureau