



We provide comprehensive family violence and sexual assault services in Central Oregon and promote the value of living life free from violence.

April 11, 2023

Chair Meek, Vice-Chair Boquist, and Members of the Committee,

Thank you for the opportunity to submit testimony in support of SB 976. My name is Beth Jacobi and I represent Saving Grace of Central Oregon. We serve survivors of domestic violence and sexual assault. Our Survivor Housing Program works to ensure that survivors never need to choose between homelessness or staying in a dangerous household. This has become more difficult lately as the cost to rent or buy a home in Central Oregon has dramatically increased.

Stable and safe housing is a crucial need for the individuals, families, and children we serve. Our housing crisis is hurting families and leading more people into homelessness. Our businesses are struggling to maintain staff due to the lack of housing access. Our communities do have programs that are successful in addressing these problems, such as downpayment assistant support, individual development accounts, and permanent supportive housing. **Yet these programs lack sufficient funding to meet the scale of need in our communities. More investments are desperately needed.**

Oregon's largest housing subsidy, the mortgage interest deduction (MID) costs the state about \$1 billion each biennium, but it does nothing to alleviate Oregon's housing problems, or to support solutions. SB 976 would change this.

Senate Bill 976 is a modest and effective response to Oregon's statewide housing crisis. It amends Oregon's MID to raise roughly \$200 million per biennium. This is done without having to raise any new revenue — it simply invests current dollars more effectively and fairly. These savings would go into the Oregon Housing Opportunity Account to support programs that promote first time homeownership, assist Oregonians in maintaining their housing, and also support programs which prevent and end homelessness.

A 2022 audit by the Oregon Department of Revenue revealed that Oregon's MID tax policy is ineffective, inequitable, and costly. It disproportionately benefits wealthy homeowners in urban counties — people who do not need a subsidy to purchase a home. Economists and analysts across the political spectrum agree that it is time to amend the mortgage interest deduction.

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- Survivor & Saving Grace client



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For example, the top 1% of beneficiaries of the policy in 2018 received more money back than more than 727,000 Oregonians in the bottom 40% of people eligible for the tax benefit. See the [Oregon Department of Revenue MID Audit, 2022](#)

SB 976 makes two changes to the current MID policy:

- 1. It discontinues the MID for Oregon's wealthiest 5%, while retaining the deduction for 95% of Oregon homeowners.** Homeowners earning between \$200,000-250,000 would see a decrease in their MID, and those earning over \$250,000 would not receive the subsidy. **Oregonian homeowners earning \$200,000 or less per year would have no change to their mortgage interest deduction (MID).**
2. SB 976 discontinues the mortgage interest deduction for second or vacation homes.

These two changes trim roughly \$200 million off the top of the \$1 billion price tag of the mortgage interest deduction.

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. We urge you to endorse SB 976. Thank you for your service.

Sincerely,

Beth Jacobi

Beth Jacobi (she/her)
Housing Coordinator at **Saving Grace**

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