



DEVELOPING THRIVING COMMUNITIES

April 19, 2023

Senate Committee on Finance and Revenue
900 Court Street NE
Salem, Oregon 97301

RE: Support for SB 976

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

My name is Karen Saxe and I work for DevNW, an affordable housing development and asset building agency serving Lane, Linn, Benton, Lincoln, Marion, Polk and Clackamas Counties. We support SB 976.

DevNW operates as part of the network of Regional Housing Centers throughout the state, providing financial and pre-purchase education and counseling to support low and moderate income families in becoming financially stable and mortgage-ready. In addition, we support first-time homebuyers in layering financial resources like downpayment assistance to help our clients achieve homeownership.

In 2021, we participated in the Secretary of State's audit of the Mortgage Interest Deduction. We welcomed the opportunity to dig deeper in the role MID does, or does not, play for first-time homebuyers. While the MID is the largest housing subsidy in Oregon, it does not actively address any of the challenges or barriers our clients face in accessing homeownership nor it is a primary motivator for our clients on their journey to homeownership.

As we work with first-time homebuyers, we consistently find two major barriers to homeownership: skyrocketing housing costs due to limited supply and limited financial resources for downpayment assistance. Despite the hard work put in by our clients, the market is pricing out low and moderate income families. Rising rents make it harder and harder for families—even those with stable income—to save for a downpayment. Limited supply of affordable homes for purchase drives up sales prices in every community across the state.

The research is clear, the MID is not equally distributed among Oregon taxpayers. Instead, its design concentrates higher benefits for higher income taxpayers as they are more likely to both itemize their taxes and own more expensive homes. Additionally,

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those benefitting are more likely to be both white and from urban areas. Disparities in homeownership for communities of color compared with their white counterparts is the single greatest driver of the racial wealth gap. It is imperative that we work to correct years of systemic racism that has pushed homeownership out of the reach of communities of color. SB 976 seeks to make commonsense reforms to the mortgage interest deduction that will continue the deduction for most families across Oregon while also supporting new first-time buyers in obtaining and maintaining homeownership and providing critical resources to avoid homelessness.

We support analysis and reform of the Mortgage Interest Deduction to ensure that the state's largest housing subsidy actually supports those who need it the most: the family who wants to put down roots in their community, the new teacher who wants to live in the same neighborhood as their students, the entrepreneur who shouldn't have to choose between launching a new business or becoming a homeowner. And we hope you will join us in that by supporting SB 976. Thank you for your work on behalf of Oregonians.

Sincerely,

Karen Saxe
Director of Policy, Advocacy and Strategic Relationships