Testimony in opposition to HB 2578

Good Morning, Chair Fahey, Vice-Chairs Campos and Morgan, Members of the Committee

For the record, my name is Tia Politi, and I am the President of the Rental Owners Association of Lane County and the Secretary for the Oregon Rental Housing Association. We represent more than 5000 members across the state of Oregon, most of whom own 1-4 rental units. I also volunteer as an instructor for Dev NW for their rental property classes targeted to low-income and underserved populations. They work to promote financial stability and foundational wealth building through home and rental property ownership.

This bill promotes many laudatory goals for increasing housing stability for marginalized groups, but the source of funding for these goals is short-sighted, and would reduce opportunities for generational wealth building and income stability, by making it harder to build a property portfolio.

My husband and I both grew up in poverty. We managed to purchase a modest home when we got married, and 15 years later had built equity. At that point almost 20 years ago we had exactly $1000 in an IRA and the equity in our home. We were worried about how we would support ourselves in retirement and decided to take the plunge, and use our hard-earned equity to purchase another property with two homes. That was the start of our journey to financial stability through rental ownership.

Currently, we both work full time at our jobs, work on most weekends to maintain our properties, and continue to pay down the mortgages for our portfolio of five units. Those mortgages total about $6000 per month, and our rents barely cover the costs of mortgage, interest, taxes and insurance. To lose our deduction would mean a dramatic reduction in the funds available to maintain and upgrade our properties over time. It would also make it harder for other low-income people to do what we are doing: build financial stability and generational wealth through rental ownership.

Thank you for considering my perspective, and I encourage you to look for other ways to support these types of programs.