

April 13th, 2023

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

I am writing to you today as a real estate agent, and as a concerned citizen, in full support of SB976. I feel that it is unjust for us to subsidize home ownership for the top earners in our state, when we are in the midst of an unprecedented housing crisis and so many of our citizens are struggling to find, afford, or keep housing. Redirecting the mortgage interest tax deduction of high earners in our state to making housing affordable and accessible for more of our citizens seems like the most efficient, fair, and equitable use of these funds.

The mortgage interest deduction is our state's largest housing subsidy. It has been shown to be extremely costly, inequitable, and surprisingly ineffectual when it comes to helping promote homeownership rates in our state. As an itemized tax deduction it disproportionately benefits the richest in our community, while many lower income citizens, minority groups, rural communities, and renters receive little to no benefit at all. The income group affected by this bill can hardly afford to pay it, and yet we're subsidizing their personal investments rather than creating housing opportunities for more of our citizens.

Some groups claim this will decrease home ownership rates, but I believe the opposite is true. As a realtor I've seen prices here skyrocket while wages for many have stagnated. The lack of housing affordability is putting home ownership beyond reach of many of our citizens. By redirecting these funds to home ownership programs, we could help more people get into homes. These are the income earners that could still truly benefit from the mortgage interest tax deduction, and for whom it would actually matter when buying a home. If we invest in the majority of citizens' ability to own a home, this will be a win for everyone.

Others are claiming that this will negatively impact our tourism industry. Those that can afford to own a vacation home that sits vacant much of the year are not contributing to the tourism industry or local economy of that community, and do not need a subsidy for that investment. If this bill gets vacation home owners to rent out these homes part-time, or to sell them to be owned by a local full-time resident, I believe these outcomes will be better for our tourism economy and local communities in the long run.

Redirecting these funds to the Oregon Housing Opportunity Account, home ownership programs, and homeless services is vital to redressing and alleviating some of the inequities our state is struggling with. The fact that this can be done by redistributing existing funds, and not through the generation of a new revenue stream, makes this an efficient, fair and equitable approach in my opinion. We need to be more intentional about how and to whom these subsidies are given. Housing subsidies should be for the benefit of those in our society that need them most, and those who have historically been shut out of this generational wealth building opportunity, not as a write off for the wealthy few.

I want to work in and be part of a community that prioritizes housing for its use value and its ability to provide stability, security, a sense of community, and belonging for all of our citizens. This bill is a step in that direction. Thank you so much for your consideration of this important issue.

Sincerely,  
Jess McDonough  
Principal Broker, Neighbors Realty