

HB 4003 -1, -2, -3, -4 STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/5, 2/12

WHAT THE MEASURE DOES:

Directs Oregon Housing and Community Services (OHCS) to provide grants and technical assistance to address barriers to home ownership experienced by Oregon's communities of color. Stipulates funding prioritization for organizations that have the capacity and commitment to serve people of color. Reduces period in which individual development account (IDA) holders may accrue maximum of \$3,000 of matching funds from 12 to six months. Authorizes eligible credit usage by taxpayers for the previous calendar year if donation is made by April 15 in any calendar year. Authorizes OHCS to provide grants to fiduciary organizations for the administration of IDAs. Increases the allowable percentage that a taxpayer can allocate toward fiduciary organizations for distribution to IDAs from 90% to 100%. Requires implicit bias training and any additional requirements established by the Director of the Department of Consumer and Business Services (DCBS) be included in mortgage loan originator pre-licensing and continuing education. Establishes the Joint Task Force on Addressing Racial Disparities in Home Ownership. Directs Joint Task Force to submit report to the Legislative Assembly no later than December 1, 2020. Sunsets task force on February 1, 2021. Replaces term and definition of "minority" with "person of color." Includes federally recognized Indian tribe within definition of "Organization." Appropriates \$1 to OHCS to fund Home Ownership Assistance Account technical assistance and grants, \$1 to OHCS to fund Home Ownership Assistance Account grants, \$1 to OHCS to fund IDAs, and \$1 to the Legislative Policy and Research Committee for the administration of the Task Force on Addressing Racial Disparities in Home Ownership. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Task Force coverage of historical matters involving racial equity in Oregon
- Request for IDA funding
- Bill language regarding real estate practitioners
- Generational wealth through homeownership for communities of color

EFFECT OF AMENDMENT:

-1 Authorizes Oregon Housing and Community Services (OHCS) to provide loans, in addition to grants and technical assistance, to organizations working with households at or below area median income. Replaces qualifying organization service criteria, including foreclosure prevention counseling, down payment assistance, down payment savings credits and individual accounts, with post-purchase counseling. Removes language referring to "culturally specific" households and replaces with "populations with disparities in home ownership." Redefines prioritization criteria for Home Ownership Assistance Account funding. Stipulates that eligible population be served through Home Ownership Assistance Account for families and individuals at or below area median income, removes term "minorities" and substitutes with "persons of color" as defined by rule, and adds agricultural workers. Allocates loans in addition to grants. Eliminates Home Ownership Account funding of social services for housing occupants, and development of strategies to support homeownership initiatives focused on persons of color. Requires individual development account use for purchase of primary residence to be OHCS grant eligible. Requires buyer's real estate agent to provide informational hand out regarding programs, grants,

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and other resources available to low-income home buyers through OHCS. Appropriates undefined amount of general fund to OHCS and the Legislative Policy and Research Committee. Repeals Task Force February 1, 2021.

-2 Authorizes Oregon Housing and Community Services (OHCS) to provide loans, in addition to grants and technical assistance, to organizations working with households at or below area median income. Replaces qualifying organization service criteria, including foreclosure prevention counseling, down payment assistance, down payment savings credits and individual accounts, with post-purchase counseling. Removes language referring to “culturally specific” households and replaces with “populations with disparities in home ownership.” Redefines prioritization criteria for Home Ownership Assistance Account funding. Stipulates that eligible population be served through Home Ownership Assistance Account for families and individuals at or below area median income, removes term “minorities” and substitutes with “persons of color” as defined by rule, and adds agricultural workers. Allocates loans in addition to grants. Requires individual development account use for purchase of primary residence to be OHCS grant eligible. Requires buyer’s real estate agent to provide informational hand out regarding programs, grants, and other resources available to low-income home buyers through OHCS. Appropriates undefined amount of general fund to OHCS and the Legislative Policy and Research Committee. Repeals Task Force February 1, 2021.

-3 Requires Home Owner Assistance Account support offered through Oregon Housing and Community Services (OHCS) to include home ownership grants, loans, and technical assistance to organizations that work with low income households. Defines eligible population as households at or below area median income. Modifies organization eligibility language for Indian tribes and Persons of color. Clarifies that OHCS funded individual development accounts (IDAs) be for homes that are primary residences. Removes IDA tax credit directives. Requires completion of historical and current discriminatory housing policy training by real estate agents reactivating or renewing their licenses. Extends deadline for implementation of Real Estate course requirements by the Real Estate Commissioner from January 1, 2021 to January 1, 2022. Appropriates undefined amount of General Fund to OHCS and the Legislative Policy and Research Committee. Repeals Task Force February 1, 2021.

-4 Establishes responsibilities of a home buyer's real estate agent that include provision of informational hand out regarding programs, grants, and resources available to low-income home buyers. Extends deadline for implementation of Real Estate course requirements by the Real Estate Commissioner from January 1, 2021 to January 1, 2022.

BACKGROUND:

American Census Survey (ACS) data shows that home ownership rates in Oregon for communities of color are lower than for Whites. This gap in ownership is seen when evaluated across race and ethnicity: from 2013 to 2017, White, Not Hispanic or Latino groups had a home ownership rate of 65.1%, higher than American Indian/Alaskan Native (44.8%), Asian (59.4%), Black or African American (32.2%), Hispanic or Latino (40.8%), Native Hawaiian or another Pacific Islander (33.4%), other races (40.6%), or those households that identified as two or more races (46.4%).

In 2018, (HB 4010) established a Joint Task Force on Addressing Racial Disparities in Home Ownership to learn more about, and to present recommendations on closing this gap. The Task Force focused on mortgage loan practices and procedures and identification of systemic barriers to home ownership for people of color. In its final report, the Task Force recommended continuation of work group to continue development of its Phase I and Phase II recommendations. Included in its recommendations are items found within sections of HB 4003, including funding of the Home Ownership Assistance Account, with a prioritization of funding for groups that serve communities of color, increase in funding of individual development accounts, and requirements for implicit bias and racial bias training for real estate professionals.

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HB 4003 extends the Joint Task Force on Addressing Racial Disparities through December 2020, funds culturally specific home ownership grant and technical assistance, increases matched funding for qualifying IDA participants, and mandates implicit and racial bias training for real estate professionals.