

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4003 - A13

80th Oregon Legislative Assembly – 2020 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Kim To
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Date: February 25, 2020**Measure Description:**

Authorizes Housing and Community Services Department to provide grants and technical assistance to organizations increasing homeownership program access to persons of color.

Government Unit(s) Affected:

Housing and Community Services Department (HCSD), Department of Consumer and Business Services (DCBS), Legislative Assembly (LAC), Legislative Policy and Research Office (LPRO), Appraiser Certification and Licensure Board, Oregon Real Estate Agency (OREA)

Summary of Fiscal Impact:

Costs related to the measure will require budgetary action.

Summary of Expenditure Impact:

	2019-21 Biennium	2021-23 Biennium
General Fund		
Special Payments - IDA (Grants and Loans to nonprofit organizations)	1,000,000	-
Special Payments - Technical and Down Payment Assistance programs*	4,000,000	-
Total General Fund	\$5,000,000	-
Other Funds - Technical and Down Payment Assistance programs		
Personal Services	96,935	193,870
Services and Supplies	20,758	15,670
Special Payments (Grants and Loans to nonprofit organizations)	3,672,767	-
Total Other Funds*	\$3,790,460	\$209,540
Positions	1	1
FTE	0.50	1.00

*Other Funds reflects the transfer of \$4,000,000 General Fund to the Homeownership Assistance Account to pay for both administrative and program costs for the technical and down payment assistance programs.

Analysis:

HB 4003 with the -A13 appropriates a total of \$5 million General Fund to the Housing and Community Services Department (HCSD) for deposit into the Home Ownership Assistance Account for the following purposes:

- \$1,000,000 for technical assistance and grants and loans to organizations that work with households with income at or below area median income, assisting persons of color in obtaining homeownership.
- \$3,000,000 to provide grants and loans for down payment assistance.
- \$1,000,000 to provide grants to fiduciary organizations to administer the Individual Development Accounts (IDA) and to supplement matching funds to holders.

The bill directs HCSD, in consultation with the Oregon Housing Stability Council, to provide grants and technical assistance to organizations increasing homeownership access to persons of color. The bill authorizes HCSD to expend Home Ownership Assistance Account funds for these purposes and makes funds available to federally recognized Indian tribes. In addition, the bill continues the work of the 16-member Joint Task Force on Addressing Racial Disparities in Home Ownership charged with continuing investigations and recommending solutions to

ameliorate conditions reducing or preventing home ownership among people of color in this state. The Task Force must submit a report to the Legislature by December 1, 2020. The Task Force sunsets on February 1, 2021.

Housing and Community Services Department (HCSD)

The total fiscal impact of the measure to HCSD is \$5,000,000 General Fund. Of this amount, \$4,000,000 will be expended as Other Funds. This reflects the following:

- \$1,000,000 General Fund to provide grants to fiduciary organizations to administer the Individual Development Accounts (IDA) and to supplement matching funds to holders. HCSD will deliver these funds through an amended contract with the Department's contract administrator.
- \$4,000,000 Other Funds transferred to the Homeownership Assistance Account to pay for both administrative and program costs for the technical and down payment assistance programs. This transfer includes salary and related expenses for One Program Analyst 3 position to develop the program to provide technical assistance to grantee organizations and culturally-specific organizations, including facilitating rulemaking, overseeing a competitive process to determine grantees, and managing the program after implementation. Administrative costs associated with this position are anticipated to total \$117,693 for the 2019-21 biennium; and \$209,540 for the 2021-23 biennium.

Appraiser Certification and Licensure Board, Oregon Real Estate Agency (OREA)

The fiscal impact of this bill on OREA and the Board is anticipated to be minimal. The bill modifies real estate statutes to require a buyer's agent to provide the buyer with a copy of an informational handout regarding programs, grants, and other resources available to low-income home buyers in a form prescribed by HCSD. The bill requires the Appraiser Certification Licensure Board to adopt rules amending the education criteria for certification or licensure of appraisers to include information relating to implicit bias, including racial bias, and historical and current discriminatory housing policies and practices in Oregon that disadvantage persons of color. The bill requires the Real Estate Commissioner to include information relating to implicit bias within education and examination requirements for real estate licensees. OREA and the Board will use existing staff and resources to comply with the provisions of the bill.

Department of Consumer and Business Services (DCBS)

The fiscal impact of this bill on DCBS is anticipated to be minimal. The bill requires DCBS to require implicit bias training for mortgage loan originators. It gives DCBS the authority to establish additional training requirements by rule. DCBS anticipates using existing staff and resources to develop new training requirements and perform rulemaking activities.

Policy and Research Office (LPRO)

The bill requires LPRO to continue to provide staff support to the Joint Task Force on Addressing Racial Disparities in Home Ownership. The 2019-21 Legislative Branch budget contains funds appropriated for LPRO support of interim committees and task forces.

Legislative Assembly

The bill specifies that non-legislative members of the Task Force serve as volunteers and are not entitled to compensation and reimbursement. However, four members of the Task Force will be legislative members who are entitled to per diem and travel reimbursement. Assuming three Task Force meetings, the estimated per diem and travel reimbursement cost for the four legislative members is expected to be approximately \$2,800 General Fund. This amount includes the Federal Insurance Contribution Act (FICA) tax, assumes per diem remains at \$151 per day, and the average mileage of 90 miles at the current rate of \$0.58 per mile. Although the 2019-21 Legislative Assembly budget includes funds allocated for interim committee and task forces, if the work required by this Task Force, or if the cumulative enactment of other legislation with interim committees and task forces, exceeds expenditure levels beyond those assumed in the 2019-21 budget, additional General Fund resources may be required. The Task Force would not incur additional costs to the Legislative Assembly budget if the meetings are held at the Capitol building during Legislative Session, Task Force, or Legislative Days.