

HB 4003 A STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

Action Date: 02/12/20

Action: Do pass with amendments and be referred to Ways and Means by prior reference.
(Printed A-Eng.)

Vote: 9-0-0-0

Yeas: 9 - Helt, Keny-Guyer, Meek, Mitchell, Noble, Sanchez, Schouten, Williams, Zika

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 2/5, 2/12

WHAT THE MEASURE DOES:

Requires Home Ownership Assistance Account funding through Oregon Housing and Community Services (OHCS) include homeownership 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 directs definition of “persons of color” be determined by OHCS by rule. Clarifies that OHCS-funded individual development accounts (IDAs) be for homes that are primary residences. Reduces period in which IDA holders may accrue maximum of \$3,000 of matching funds from 12 to six months. 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. 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 administration of Task Force on February 1, 2021. Appropriates undefined amount of General Fund for grants, loans, and technical assistance to OHCS and the Legislative Policy and Research Office. Repeals Task Force February 1, 2021. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

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

EFFECT OF AMENDMENT:

Requires Home Ownership Assistance Account support offered through Oregon Housing and Community Services (OHCS) to include homeownership 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. Establishes responsibilities of a home buyer's real estate agent that include provision of informational handout 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. Appropriates undefined amount of General Fund to OHCS for grants, loans, and technical assistance and the Legislative Policy and Research Committee for administration of the Task Force. Repeals Task Force February 1, 2021.

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BACKGROUND:

American Census Survey data shows that homeownership rates in Oregon for communities of color are lower than for Whites. Homeownership rates across race and ethnicity from 2013 to 2017: White, Not Hispanic or Latino groups, 65.1 percent; American Indian/Alaskan Native, 44.8 percent; Asian, 59.4 percent; Black or African American, 32.2 percent; Hispanic or Latino, 40.8 percent; Native Hawaiian or another Pacific Islander, 33.4 percent; other races, 40.6 percent, and those households that identified as two or more races, 46.4 percent.

In 2018, House Bill 4010 established a Joint Task Force on Addressing Racial Disparities in Home Ownership to research causes for gaps in homeownership rates across race and present recommendations on closing this gap. The Task Force focused on mortgage loan practices and procedures, and identification of systemic barriers to homeownership for people of color. In its final report, the Task Force recommended continuation of the task force to further develop its Phase I and Phase II recommendations. Included in recommendations were items found within sections of House Bill 4003-A, including funding of the Home Ownership Assistance Account, prioritizing funding for groups that serve communities of color, increasing funding of individual development accounts, and requiring implicit bias and racial bias training for real estate professionals.

House Bill 4003-A extends the Joint Task Force on Addressing Racial Disparities in Home Ownership through February 2021, funds culturally specific homeownership grants, loans, and technical assistance, increases matched funding for qualifying individual development account participants, requires provision of information handout to low-income home buyers by buyer-represented real estate agents, and mandates implicit and racial bias training for real estate professionals.