

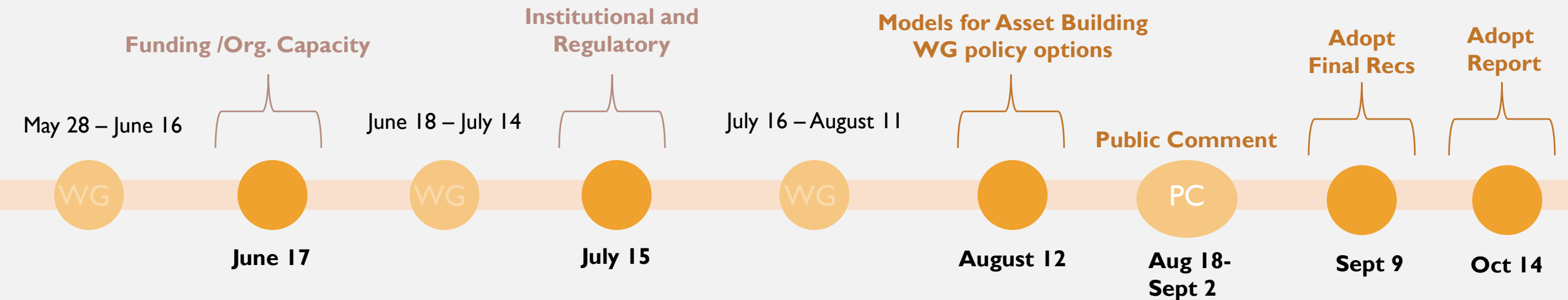
WORK PLAN UPDATE

Joint Task Force on Addressing Racial Disparities in Home Ownership

Representative Ruiz and Senator Manning, Co-Chairs
Melissa Leoni, Claire Adamsick, and Leslie Porter, Analysts

WORK PLAN TIMELINE

- Adopt recommendations
- Draft, review, and adopt Task Force Report



POLICY PROPOSALS

Joint Task Force on Addressing Racial Disparities in Home Ownership

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**PUBLIC
COMMENT
OVERVIEW**

- Written comment period August 18-Sept 2
- 15 individual responses; see summary on OLIS
- Articles on OPB and Bend Bulletin

#1

AGENCY SUPPORT & REPORT PROPOSAL

- Support the Oregon Housing and Community Services (OHCS) 2023 – 2025 agency request budget for Homeownership Division staff and programs.
- Direct OHCS, the Bureau of Labor and Industries (BOLI), and the Department of Consumer and Business Services (DCBS), with assistance from the Fair Housing Council of Oregon (FHCO) and any other state agencies as necessary, to deliver a joint report to the Legislative Assembly committees related to housing and the Racial Justice Council by September 15 of every even-numbered year. Report shall include progress made on the recommendations of the Task Force, and other measurable progress in reducing the disparities in homeownership by communities of color in Oregon.

#2

INDIVIDUAL DEVELOPMENT ACCOUNT PROPOSAL

- Support the Oregon Housing and Community Services (OHCS) budget request of a one-time \$35 million allocation for the 2023 – 2025 biennium to boost program support for homeownership savers, particularly in regions where gaps exist for participants from Black, Latinx, or Native American communities.
- Recommend the Legislative Assembly identify permanent biennial funding for the IDA Program that is responsive to evolving funding needs, specifically through savings from eliminating the Mortgage Interest Deduction for second homes.
- If the Mortgage Interest Deduction is not eliminated, recommend that the Legislative Assembly seek other IDA funding sources as appropriate.
- Consider an increase in the IDA tax credit in the 2027 legislative session (tax credit sunsets on January 1, 2028).

#3

DOWN PAYMENT ASSISTANCE PROPOSAL

- Recommend the Legislative Assembly allocate \$10 million in additional Down Payment Assistance (DPA) moneys to be distributed through culturally responsive and tribal organizations.
- Support the Oregon Housing and Community Services (OHCS) budget request of a one-time \$25 million allocation for the 2023 – 2025 biennium for additional DPA to support borrowers utilizing the Flex Lending Program.
- Direct OHCS to promulgate rulemaking to identify and eliminate barriers for Individual Taxpayer Identification Number (ITIN) holders in accessing state administered DPA programs, while maintaining compliance with federal laws, where required, and report findings to the Oregon Housing Stability Council by June 30, 2024.

#4

HOMEOWNERSHIP ORGANIZATION FUNDING AND CAPACITY PROPOSAL (PT 1)

Funding for Tribal Homeownership:

Direct Oregon Housing and Community Services (OHCS) to create dedicated, noncompetitive, and flexible funding set-aside that is responsive to unique tribal homeownership needs, including but not limited to down payment assistance, homebuyer education, and home repair.

Recommend the Legislative Assembly allocate \$4 million in one-time funding to be distributed among each of the nine federally recognized Oregon tribes, to support the expansion of homeownership operations and activities, with baseline funding of \$120,000 per tribal organization and additional funding based on tribal membership size and need.

Funding for Homeownership Centers and Culturally Responsive Organizations:

Allocate \$200,000 per biennium to up to 24 homeownership centers or culturally responsive organizations to the OHCS base budget to support operations costs for organizations supporting or expanding homeownership services for communities of color.

#4

HOMEOWNERSHIP ORGANIZATION FUNDING AND CAPACITY PROPOSAL (PT 2)

Training/Technical Assistance:

Direct OHCS to partner with homeownership and culturally responsive organizations to co-facilitate regular, consistent peer learning and networking opportunities, specifically geared toward new and continuing housing counselors.

Allocate \$200,000 to OHCS for the 2023 – 2025 biennium to convene virtual trainings to support homeownership center counselors in fulfilling annual training requirements, and to maintain an online calendar of those trainings on its website.

Reporting/Evaluation:

Direct OHCS to investigate various state program evaluation requirements, and any relevant evaluation platforms/software, and recommend strategies for streamlining evaluation and reporting processes by December 1, 2023

#5

EDUCATION AND FINANCIAL LITERACY PROPOSAL (PT 1)

Inventory and development of pre-purchase counseling and education materials

- Distribute funding (amount to be determined), to Oregon Housing and Community Services (OHCS), to hire staff and/or contractor(s) to conduct an inventory of existing local, state, and national offerings to:
 - determine what can be elevated for broader use;
 - identify where new materials and curriculum need to be developed; and
 - develop a model curriculum related to pre-purchase education and counseling.
- Distribute funding (amount to be determined) to OHCS, to contract with one or more organizations to translate curriculum materials into the five most commonly spoken languages in Oregon, other than English.
- Direct OHCS to consolidate and make the curriculum available and easily accessible on its website.

#5

EDUCATION AND FINANCIAL LITERACY PROPOSAL (PT 2)

Inventory and development of written financial literacy materials

- Distribute funding (amount to be determined), to OHCS to hire staff and/or contractor(s) to conduct an inventory and an audit of written financial literacy materials produced and made available by state agencies, nonprofit organizations, and financial institutions for new homebuyers and homeowners, as well as those who need assistance retaining their home.
- The work shall be done in consultation with OHCS, the Department of Consumer and Business Services (DCBS), the Bureau of Labor and Industries (BOLI), the Oregon Bankers Association, and the Northwest Credit Union Association, to examine existing offerings, develop a catalog of materials, determine what can be elevated for broader use, and identify language, cultural or other accessibility barriers.
- Distribute funding (amount to be determined) via contract with OHCS, to one or more organizations to translate written materials identified by the inventory for broader use into the five most commonly spoken languages in Oregon, other than English.
- Require OHCS, in partnership with DCBS and BOLI, to make financial literacy material available across all financial institutions offering mortgage lending products.

#6

APPRAISER TRAINING AND EDUCATION REQUIREMENTS PROPOSAL

Amend ORS 674.310(2)(b) to incorporate the same fair housing and implicit bias language used for mortgage brokers and real estate agents in 2021. (Proposed language in bold.)

*Establishing educational requirements for certification or licensure of appraisers and for the registration of appraiser assistants that ensure protection of the public interest and comply with the requirements of the federal Act, **including on state and federal fair housing laws and topics of implicit bias, including racial bias.** Education requirements for state licensed appraisers and state certified appraisers must meet the minimum criteria established by the Appraiser Qualification Board of the Appraisal Foundation.*

#7

FAIR HOUSING LAW STATEWIDE REGIONAL ENFORCEMENT AND AWARENESS PROPOSAL

Continue \$5 million investment of state General Fund for fair housing enforcement and awareness through:

- Funding for Fair Housing Council of Oregon of \$1.2 million annually to fund 12 FTEs statewide;
- Support of the Bureau of Labor and Industries and Department of Justice budgets, including support for six Civil Rights Investigators to support housing discrimination investigations in four priority regions and one Training and Development Specialist for statewide fair housing education and outreach.

#8

SUPPLY INCENTIVE TAX CREDIT PROPOSAL

To address investor ownership of existing homes and increase the return of existing homes to the homeownership market, propose a tax credit to encourage owners, including both personal and corporate taxpayers, of single-family homes to sell the home to one of the following buyers:

1. current renter;
2. nonprofit housing or homeownership organization; or
3. purchaser under 100% AMI of the state/county.



#9

SPECIAL PURPOSE CREDIT PROGRAM PROPOSAL

Allocation of \$30 million for a pilot program at Oregon Housing and Community Services (OHCS) that provides 100 percent funding of the home purchase price through a special purpose credit program (SPCP) loan product within the OHCS Flex Lending Program.

- Lenders develop SPCP; provide first mortgage (up to 90%); and buyout or pay any mortgage insurance
- Borrowers can access final 10% second mortgage from OHCS with same term and interest rate of 1% more than first mortgage
- Works for Individual Taxpayer Identification Number (ITIN) mortgages with certain modifications

#10

INCENTIVIZING HOMEOWNERSHIP DEVELOPMENT PROPOSAL

1. Homeownership Development Subsidy:

Allocate \$100 million each biennium for homeownership development with the goal to build 500 homes in the 2023-2025 biennium with a maximum subsidy of up to \$200,000 per home.

2. Pre-Development Funding Pool (2 options)

- Establish a separate pool of funding
- Allow a portion of subsidy to be used up front

3. Land Availability

Improve existing OHCS Land Acquisition Revolving Loan Program, or create a new fund of \$30 million to purchase 200 parcels per biennium at zero percent interest

#11

HOMEOWNERSHIP ASSISTANCE INNOVATION PILOT PROGRAM PROPOSAL

Allocate funding to Oregon Housing and Community Services (OHCS) to invest in two to three community-based, innovative models for increasing homeownership rates for communities of color in Oregon.

- Funding is intended for projects and proposed solutions that address barriers to homeownership in ways not addressed by the other recommendations.
- Successful pilots are defined by the community, involve cross-sector partnerships, and leverage other public or private funding.

#12

BUILDING ASSETS THROUGH HOME EQUITY PROPOSAL

Develop option to boost or fast-track the equity gained through the mortgage principal a homebuyer pays down on the mortgage over time by subsidizing the interest rates on 15-year or 20-year mortgages.

Eligible borrowers must be buyers of a community land trust or other shared equity property that provides permanent affordability.