

## HB 2007 -1 STAFF MEASURE SUMMARY

### House Committee On Housing

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**Prepared By:** Claire Adamsick, LPRO Analyst

**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 3/30, 4/8

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#### WHAT THE MEASURE DOES:

Directs the Housing and Community Services Department to provide grants, loans and technical assistance to organizations that work with low-income households to increase homeownership among underserved communities, including persons of color who have experienced historical disparities in homeownership rates. Defines, for the purposes of this Act, “persons of color” and allows department to further define the term by rule. Expands Home Ownership Assistance Account fund distribution to include grants, loans and technical assistance to organizations that work with low-income households and specifically persons of color in obtaining homeownership. Specifies that federally recognized Indian tribes are eligible recipients of Home Ownership Assistance Account funds.

Allows department to provide grants to fiduciary organizations for the administration of individual development accounts. Increases maximum allowable matching funds accrual from \$3,000 to \$6,000 per year.

Requires Real Estate Board and Appraiser Certification and Licensure Board to amend continuing education criteria for certification or licensure to include coursework or information on implicit bias, racial bias, and historical and current discriminatory housing policies and practices in Oregon that disadvantage people of color. Allows the Department of Consumer and Business Services to establish by rule educational requirements on implicit bias and racial bias. Clarifies that educational requirements provided by this act are operative January 1, 2022. Directs buyer’s agent, upon representation, to provide buyer with information regarding programs, grants and resources available to low-income homebuyers in a form prescribed by the department.

Establishes Joint Task Force on Addressing Racial Disparities in Home Ownership. Describes membership and nominating entities. Directs the Legislative Policy and Research Office to staff the task force. Provides for compensation for travel and other expenses incurred by task force members while performing official duties. Requires task force to submit a report to an interim committee of the Legislative Assembly related to housing no later than September 15, 2022. Sunsets task force on December 31, 2022.

Appropriates, for the biennium beginning July 1, 2021, General Fund moneys to the Housing and Community Services Department for the following purposes: \$1 million for technical assistance grants and loans for the construction of new housing; \$3 million for grants and loans supporting increasing homeownership for people of color; and \$1 million for the administration of individual development accounts and to supplement matching funds for a primary residence.

Takes effect the 91<sup>st</sup> day following adjournment sine die.

#### ISSUES DISCUSSED:

- Redlining and historic policies excluding Black community members from homeownership opportunity and stabilization
- Past work of task force to address lower homeownership rates among people of color by identifying wealth generation and financial stability opportunities
- Sections of current bill that are covered by other 2021 session bills, including individual development accounts and real estate continuing education

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- Concerns regarding defining “persons of color” in rule

### **EFFECT OF AMENDMENT:**

-1 Replaces the measure. Requires mortgage loan originators applying for or renewing a license to complete continuing education requirements including on topics of implicit bias and racial bias. Allows Department of Consumer and Business Services to establish by rule educational requirements on implicit bias and racial bias. Clarifies that continuing education requirements of this Act are operative on January 1st, 2022. Establishes Joint Task Force on Addressing Racial Disparities in Home Ownership. Describes membership and nominating entities. Directs the Legislative Policy and Research Office to staff the task force. Provides for compensation for travel and other expenses incurred by task force members while performing official duties. Requires task force to submit a report to an interim committee of the Legislative Assembly related to housing no later than September 15, 2022. Sunsets task force on December 31, 2022. Takes effect on the 91st day following adjournment sine die.

### **BACKGROUND:**

According to the U.S. Census Bureau’s American Community Survey (ACS) five-year estimates from 2013-2017, homeownership rates are significantly lower for communities of color in Oregon than for white people. Among Oregonians of color, the homeownership rate is 32.2 percent for Black or African American, 44.8 percent for American Indian/Alaskan Native and 40.8 percent for Hispanic or Latino, compared to the white homeownership rate of 65.1%.

House Bill 2007 provides support for increased homeownership rates among low-income communities of color through grants, loans, and technical assistance and an increase on the annual accrual of individual development account matching funds. It expands continuing education requirements for real estate licensees and appraisers to include information on implicit and racial bias. It also establishes the Joint Task Force on Addressing Racial Disparities in Home Ownership.