

SB 79 A STAFF MEASURE SUMMARY

House Committee On Housing

Prepared By: Claire Adamsick, LPRO Analyst

Meeting Dates: 5/11, 5/18

WHAT THE MEASURE DOES:

Authorizes the Housing and Community Services Department to use Home Ownership Assistance Account funds to offer grants and technical assistance to organizations working to increase homeownership access for low-income individuals and people of color. Allows department to define “persons of color” by rule. Expands eligible grant recipients to include federally recognized Indian tribes.

SENATE VOTE: *Passed. Ayes, 25; Nays, 5--Boquist, Heard, Linthicum, Robinson, Thatcher.*

FISCAL: *No fiscal impact*

REVENUE: *No revenue impact*

ISSUES DISCUSSED:

- Expanding the use of homeownership funds for first time homebuyers, specifically low-income individuals and people of color
- Mitigating cost burdens for prospective homeowners, specifically increased access to loans to cover high down payment
- Measure shaped in part by Joint Task Force Addressing Racial Disparities in Homeownership policy recommendations
- Capacity of current housing inventory to accommodate HOAP program goals
- Home Ownership Assistance Program (HOAP) funds included in policy option budget packages

EFFECT OF AMENDMENT:

No amendment.

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 percent for Black or African American, 45 percent for American Indian/Alaskan Native, and 41 percent for Hispanic or Latino, compared to the white homeownership rate of 65 percent.

The Oregon Housing and Community Services Department (OHCS) administers the Home Ownership Assistance Account. Account funds are distributed to organizations that sponsor and manage homeownership programs for households at or below area median income, such as lease-to-own programs, new housing construction, or acquisition or rehabilitation of existing properties.

Senate Bill 79 A expands uses of the Home Ownership Assistance Account to include funding grants and technical assistance for organizations working to increase access to homeownership for low-income individuals and people of color. The measure directs OHCS to prioritize organizations that offer culturally specific counseling, provide down payment assistance, and maintain partnerships with financial institutions, among other considerations. Finally, the measure clarifies that grants should be used to fund programs for households with incomes at or below area median income and authorizes OHCS to define “persons of color” by rule.