

# Enrolled Senate Bill 79

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CHAPTER .....

AN ACT

Relating to housing disparities; creating new provisions; and amending ORS 458.610 and 458.655.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** Section 2 of this 2021 Act is added to and made a part of ORS 458.600 to 458.665.

**SECTION 2.** (1) The Housing and Community Services Department, in consultation with the Oregon Housing Stability Council, shall provide grants and technical assistance to organizations that, in working with households with income at or below area median income, attempt to increase access for persons of color to programs and services that assist with homeownership, including counseling, financial literacy, post-purchase counseling and down payment assistance.

(2) Technical assistance and grants provided to organizations under this section should prioritize organizations that have an identified commitment and capacity to:

(a) Provide services to persons of color through services that incorporate the cultural values of the persons' communities;

(b) Support or expand culturally specific homeownership counseling and education programs for those populations with disparities in homeownership;

(c) Leverage partnerships with the private sector, credit unions or other financial institutions;

(d) Leverage funding from other nonprofit sources; or

(e) Identify and use best practices in establishing course content guidelines and in exploring ways to systematically deliver certain services, including language access, program materials and counseling, to both increase service availability and reduce costs to individual providers, especially in rural areas.

**SECTION 3.** ORS 458.610 is amended to read:

458.610. For purposes of ORS 458.600 to 458.665:

(1) "Area median income" means the **area** median [*family*] income [*for the area*], subject to adjustment for areas with unusually high or low incomes or housing costs, all as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development.

(2) "Council" means the Oregon Housing Stability Council established in ORS 456.567.

(3) "Department" means the Housing and Community Services Department established in ORS 456.555.

(4) "Low income" means income that is more than 50 percent and not more than 80 percent of the area median income.

[5] "*Minority*" means an individual.]:

[a] *Who has origins in one of the black racial groups of Africa but who is not Hispanic;*]

[b] *Who is of Hispanic culture or origin;*]

[c] *Who has origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent or the Pacific Islands; or]*

[d] *Who is an American Indian or Alaskan Native having origins in one of the original peoples of North America.]*

[6] (5) "Moderate income" means income that is more than 80 percent and not more than 120 percent of the area median income.

[7] (6) "Organization" means a:

(a) Nonprofit corporation established under ORS chapter 65;

(b) Housing authority established under ORS 456.055 to 456.235; [or]

(c) Local government as defined in ORS 197.015[.]; **or**

**(d) Federally recognized Indian tribe that owns land in this state.**

**(7) "Persons of color" has the meaning given that term by rule by the department.**

(8) "Persons with disabilities" means persons with handicaps described in 42 U.S.C. 3602(h).

(9) "Very low income" means income that is 50 percent or less of the area median income.

(10) "Veteran" has the meaning given that term in ORS 408.225.

**SECTION 4.** ORS 458.655 is amended to read:

458.655. (1) The Home Ownership Assistance Account is administered by the Housing and Community Services Department to expand this state's supply of homeownership housing for families and individuals **with income at or below area median income**, including persons over 65 years of age, **persons of color, indigenous persons, members of federally recognized Indian tribes**, persons with disabilities, [*minorities,*] veterans and [*farmworkers, with below area median income*] **agricultural workers**. An amount equal to 25 percent of moneys deposited in the account pursuant to ORS 294.187 is dedicated for expenditure to expand this state's supply of homeownership housing for veterans and families of veterans [*with below area median income*]. The Oregon Housing Stability Council shall have a policy of distributing funds statewide while concentrating funds in those areas of this state with the greatest need, as determined by the council, [*for households with below area median income*]. The council's policy of distributing funds may differ from the distribution policy for the Housing Development and Guarantee Account.

(2) Funds in the Home Ownership Assistance Account must be [*granted*] **used for:**

**(a) Grants to organizations that provide down payment assistance;**

**(b) Grants** to organizations that both sponsor and manage homeownership programs for households with **income at or below area median income**, [*including:*]; **or**

[a] *Lease-to-own programs;*]

[b] *Construction of new housing; or]*

[c] *Acquisition or rehabilitation of existing structures.]*

**(c) Grants and technical assistance to organizations that, in working with households with income at or below area median income, assist persons of color in obtaining homeownership under section 2 of this 2021 Act.**

(3) The council shall develop a policy for disbursing grants **or technical assistance under subsection (2) of this section** for any or all of the following purposes:

(a) To aid homeownership programs for households with **income at or below area median income**, including program administration, [*in purchasing land,*] providing assistance with down payment costs, or providing homeownership training and qualification services or any combination thereof. Funds in the Home Ownership Assistance Account may not be used by an organization to pay for its general operations **that do not support homeownership.**

(b) To match public and private moneys available from other sources to provide homeownership [housing] **assistance** for households with **income at or below** area median income.

(c) To administer the Home Ownership Assistance Account as provided for in the legislatively approved budget, as that term is defined in ORS 291.002, for the Housing and Community Services Department.

(4) The council, in developing policy under subsection (3) of this section, shall give preference in making grants to those entities that propose to:

*[(a) Provide the greatest number of homeownership housing units constructed, acquired or rehabilitated for households with below area median income for the amount of account money expended by matching account funds with other grant, loan or eligible in-kind contributions;]*

**(a) Ensure long-term affordability and opportunities for generational wealth building, including through loan forgiveness or shared equity;**

(b) Ensure the longest use for the units as homeownership housing units for households with **income at or below** area median income, such as by including some form of equity recapture, land trust or shared equity provisions, as determined by the council;

(c) Include [social] services for occupants and proposed occupants of [the proposed] housing including [programs that address home health care, mental health care, alcohol and drug treatment and post-treatment care, child care,] homeownership training, mortgage qualification service[, credit repair and case management] **and financial literacy;** and

(d) Support a comprehensive strategy to reverse the decreasing rates of homeownership among [minorities] **persons of color**, giving priority to activities that support [adopted comprehensive community plans that incorporate recognized] **and incorporate** best practices or demonstrate proven success in increasing homeownership for [minorities] **persons of color or receive grants or technical assistance under section 2 of this 2021 Act.**

**Passed by Senate April 1, 2021**

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Lori L. Brocker, Secretary of Senate

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Peter Courtney, President of Senate

**Passed by House May 25, 2021**

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Tina Kotek, Speaker of House

**Received by Governor:**

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**Approved:**

.....M.,....., 2021

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Kate Brown, Governor

**Filed in Office of Secretary of State:**

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Shemia Fagan, Secretary of State