

Senate Bill 79

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes Housing and Community Services Department to provide grants and loans to individuals for down payment assistance and grants, loans and technical assistance to organizations increasing homeownership program access to persons of color. Allows department to define "persons of color" by rule. Authorizes expending Home Ownership Assistance Account funds for those purposes. Makes Oregon Housing Fund and subaccounts available to federally recognized Indian tribes that own land in this state.

A BILL FOR AN ACT

1
2 Relating to housing disparities; creating new provisions; and amending ORS 458.610 and 458.655.

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

4 **SECTION 1. Section 2 of this 2021 Act is added to and made a part of ORS 458.600 to**
5 **458.665.**

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

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

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

17 **(b) Support or expand culturally specific homeownership counseling and education pro-**
18 **grams for those populations with disparities in homeownership;**

19 **(c) Leverage partnerships with the private sector, credit unions or other financial insti-**
20 **tutions;**

21 **(d) Leverage funding from other nonprofit sources; or**

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

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

27 **458.610. For purposes of ORS 458.600 to 458.665:**

28 **(1) "Area median income" means the median family income for the area, subject to adjustment**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 for areas with unusually high or low incomes or housing costs, all as determined by the Oregon
 2 Housing Stability Council based on information from the United States Department of Housing and
 3 Urban Development.

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

5 (3) "Department" means the Housing and Community Services Department established in ORS
 6 456.555.

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

9 [(5) "Minority" means an individual:]

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

11 [(b) Who is of Hispanic culture or origin;]

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

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

16 [(6)] (5) "Moderate income" means income that is more than 80 percent and not more than 120
 17 percent of the area median income.

18 [(7)] (6) "Organization" means a:

19 (a) Nonprofit corporation established under ORS chapter 65;

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

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

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

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

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

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

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

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

28 458.655. (1) The Home Ownership Assistance Account is administered by the Housing and Com-
 29 munity Services Department to expand this state's supply of homeownership housing for families and
 30 individuals **with income at or below area median income**, including persons over 65 years of age,
 31 **persons of color, indigenous persons, members of federally recognized Indian tribes**, persons
 32 with disabilities, [minorities,] veterans and [farmworkers, with below area median income] **agricul-**
 33 **tural workers**. An amount equal to 25 percent of moneys deposited in the account pursuant to ORS
 34 294.187 is dedicated for expenditure to expand this state's supply of homeownership housing for
 35 veterans and families of veterans [with below area median income]. The Oregon Housing Stability
 36 Council shall have a policy of distributing funds statewide while concentrating funds in those areas
 37 of this state with the greatest need, as determined by the council[, for households with below area
 38 median income]. The council's policy of distributing funds may differ from the distribution policy for
 39 the Housing Development and Guarantee Account.

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

41 (a) **Grants or loans to individuals for down payment assistance;**

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

44 [(a)] (A) Lease-to-own programs;

45 [(b)] (B) Construction of new housing; or

1 [(c)] (C) Acquisition or rehabilitation of existing structures[.]; **or**

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

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

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

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

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

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

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

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

25 (c) Include social services for occupants and proposed occupants of the proposed housing in-
 26 cluding programs that address home health care, mental health care, alcohol and drug treatment and
 27 post-treatment care, child care, homeownership training, mortgage qualification service, credit re-
 28 pair and case management; and

29 (d) Support a comprehensive strategy to reverse the decreasing rates of homeownership among
 30 [*minorities*] **persons of color**, giving priority to activities that support adopted comprehensive com-
 31 munity plans that incorporate recognized best practices, [*or*] demonstrate proven success in in-
 32 creasing homeownership for [*minorities*] **persons of color or receive grants, loans or technical**
 33 **assistance under section 2 of this 2021 Act.**

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