



HOUSING ALLIANCE

February 11, 2021

Senate Committee on Housing and Development
Oregon State Legislature
900 Court Street NE
Salem, OR 97301

Dear Chair Jama, Vice-Chair Linthicum, Members of the Committee:

I am writing to you today on behalf of the Oregon Housing Alliance regarding SB 79, which will update definitions and add critical language to our statutes related to homeownership regarding reducing racial disparities.

The Oregon Housing Alliance is a coalition of more than ninety organizations from all parts of the state. Our members have come together with the knowledge that housing opportunity is the foundation on which all of our success is built – individual success as students, parents, workers, and community members as well as the success of our communities. We represent a diverse set of voices including non-profit housing developers, residents of affordable housing, local jurisdictions, and organizations working to meet basic needs in every corner of our state.

All Oregonians deserve a safe, stable, and affordable place to call home. Today, we simply don't have enough affordable homes for people who need them, and vacancy rates have dropped precipitously towards zero in communities across Oregon over the past decade. People – our neighbors and members of our community – are struggling with homelessness, housing instability, rent burdens, and to make ends meet and put food on the table, particularly during this pandemic.

Across Oregon, people experience barriers to homeownership, and due to systemic racism, red lining, disparities in wealth and wages, people of color are less likely to own their home than their white peers. In Oregon, approximately 35% of Black people own their homes, compared to 65% of White people in Oregon¹.

Homeownership is one of the best strategies to help families build intergenerational wealth, while providing a stable home. Strategies are needed to increase homeownership for Black, Indigenous, and people of color communities.

In 2018, the Legislature created the Joint Task Force to Address Racial Disparities in Homeownership², a legislative workgroup to identify strategies which could reduce disparities. The workgroup discussed proposals ranging from development to lending to sales, and identified

¹ <https://olis.leg.state.or.us/liz/201711/Downloads/CommitteeMeetingDocument/150812>

² <https://olis.leg.state.or.us/liz/2018R1/Downloads/MeasureDocument/HB4010/Enrolled>

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a set of recommendations³. In 2020, HB 4003⁴ was proposed as a result of the workgroup, including: bias training for real estate professionals, investment in down payment assistance, investment in individual development accounts (IDAs) to support access to homeownership, and other proposals.

Today, across Oregon, we have a network of housing centers⁵ which provide home buyer services to every county in the state. These housing centers are non-profit organizations, and they provide four critical services to people seeking to buy or retain their home – they provide education through homebuyer education classes to potential new homebuyers; counseling for potential new homebuyers; financial literacy classes; and homeownership retention support services.

These organizations are critical to our communities – they provide support, education, and service to homeowners. Funding for these organizations comes in many ways – grants from foundations, local jurisdictions, and funding from Oregon Housing and Community Services through the Home Ownership Assistance Program, or HOAP.

SB 79 makes several critical changes to the HOAP statutes, ORS 458.655. Critical changes include:

- Updating the definition of area median income to clarify that when calculating the income eligibility limits, homeownership centers can take into account the size of the family. For example, the income limit for a family of four should be higher than the income limit for a family of two.
- Adding federally recognized Tribes as eligible recipients of resources, which will support access to homeownership for our Tribal communities. Today, only 46% of Native American households in Oregon own their home, compared to 65% of White Oregon households⁶;
- Updating critical language around people of color to modernize the statute and delete references to minorities;
- Support homeownership centers to provide culturally responsive services to communities,
- Support culturally specific homeownership centers to provide services to BIPOC communities;
- To increase language access; and
- To support increased capacity in rural Oregon.

These changes are critical, and we support these changes.

The Housing Alliance has discussed questions and concerns about Section 4 as currently written with the agency, we cannot fully support this proposed bill. Oregon Housing and Community Services is working to craft amendments to SB 79 that will address these concerns, and we are appreciative of our partnership.

Our concerns regarding Section 4 center on the language changes which would allow the Department to change programmatic funds from grants to loans, and to allow the Department to grant or loan funds directly to individuals.

³ <https://olis.oregonlegislature.gov/liz/2019I1/Downloads/CommitteeMeetingDocument/207956>

⁴ <https://olis.oregonlegislature.gov/liz/2020R1/Measures/Overview/HB4003>

⁵ <https://www.oregon.gov/ohcs/homeownership/pages/housing-counseling.aspx>

⁶ <https://olis.leg.state.or.us/liz/2017I1/Downloads/CommitteeMeetingDocument/150812>, p.4

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We are seeking to better understand the programmatic changes that OHCS is envisioning, prior to making any changes to these critical statutes. We would like to understand:

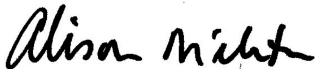
- Whether OHCS will begin working directly with homebuyers with Home Ownership Assistance Program (HOAP) resources, and how homeownership centers can support homebuyers in that scenario with education and counseling;
- Whether OHCS will continue to provide critical grant funding to homeownership centers to support ongoing operations; and
- How OHCS and partners can support potential homeowners by providing a standardized set of services across our state so that potential homeowners in different communities have the same access to resources.

We are committed to working with OHCS to resolve these questions. We appreciate the conversations that OHCS convened earlier this week regarding these concerns, and appreciate their willingness to continue these conversations, and to pause any statutory changes until these conversations can be resolved. Our understanding is that the agency is hosting a conversation next week to finalize language for Section 4.

The Housing Alliance supports the changes included in SB 79 that address racial disparities in homeownership, and adjust income levels. We await amendments which will clarify Section 4 of the proposed language.

Thank you very much for your time, and for your service to our state.

Sincerely,



Alison McIntosh
On Behalf of the Oregon Housing Alliance

Housing Alliance Members

1000 Friends of Oregon
211info
Aging in the Gorge
Benton Habitat for Humanity
Bienestar
Bradley Angle
BRIDGE Housing
Business for a Better Portland
CASA of Oregon
Central City Concern
Chrisman Development
Church Women United of Lane County
City of Beaverton
City of Eugene
City of Forest Grove
City of Hillsboro
City of Hood River
City of Portland
City of Tigard
Clackamas County
Coalition of Community Health Clinics
Coalition of Housing Advocates
College Housing Northwest
Community Action Partnership of Oregon
Community Action Team
Community Alliance of Tenants
Community Development Partners
Community Housing Fund
Community Partners for Affordable Housing
Community Vision
Cornerstone Community Housing
DevNW
Ecumenical Ministries of Oregon
Enterprise Community Partners
Fair Housing Council of Oregon
Farmworker Housing Development Corp.
FOOD for Lane County
Habitat for Humanity of Oregon
Habitat for Humanity Portland/Metro East
Hacienda CDC
Home Forward
Homes for Good
Housing Authorities of Oregon
Housing Authority of Clackamas County
Housing Development Center
Housing Oregon
Human Solutions
Immigrant & Refugee Community Organization
Impact Northwest
Innovative Housing, Inc.
Interfaith Alliance on Poverty
JOIN
Lane County Health and Human Services
League of Oregon Cities
League of Women Voters of Oregon
Lincoln County
Looking Glass Community Services
Mainstream Housing Inc.
Metro
Mid-Columbia Housing Authority
NAYA Family Center
Neighborhood Partnerships
NeighborImpact
NeighborWorks Umpqua
Network for Oregon Affordable Housing
Northwest Housing Alternatives
Northwest Pilot Project
Oregon AFSCME Council 75
Oregon Coalition of Christian Voices
Oregon Center for Public Policy
Oregon Coalition on Housing & Homelessness
Oregon Council on Developmental Disabilities
Oregon Food Bank
Our Children Oregon
Partners for a Hunger-Free Oregon
Portland Community Reinvestment Initiatives
Portland Homeless Family Solutions
Portland: Neighbors Welcome
Proud Ground
Raphael House
REACH CDC
Residents Organizing for Change (ROC) Oregon
Rogue Action Center
Rose CDC
St. Francis Shelter
St. Vincent de Paul of Lane County, Inc.
ShelterCare
Sisters Habitat for Humanity
Sponsors, Inc.
SquareOne Villages
Street Roots
Think Real Estate
Transition Projects
Washington County
Welcome Home Coalition