

## HB 3488 -2 STAFF MEASURE SUMMARY

### House Committee On Housing and Homelessness

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

**Meeting Dates:** 3/16, 3/30

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#### WHAT THE MEASURE DOES:

**Reporting on racial disparities in home ownership.** Directs Oregon Housing and Community Services (OHCS), the Department of Land Conservation and Development (DLCD) and the Department of Consumer and Business Services (DCBS) to report to interim committee of Legislative Assembly on measurable changes in disparities in homeownership by communities of color in Oregon and progress made on recommendations of the Joint Task Force on Addressing Racial Disparities in Homeownership. Allows OHCS to contract with the Fair Housing Council of Oregon or other nonprofits to collect and analyze relevant data for report, to be delivered on or before September 15 of each even-numbered year until January 2, 2035.

**Down payment assistance.** Requires OHCS to review, by December 31, 2024, programs and policies related to down payment assistance and remove barriers for low-income individuals with an individual taxpayer identification number in accessing down payment assistance. Requires OHCS to report on findings to the Housing Stability Council on or before June 30, 2024.

**Assisting homeownership organizations.** Directs OHCS to partner with culturally responsive or culturally specific organizations to convene one or more peer learning and networking events, and one or more virtual training programs for housing counselors on or before December 31, 2025. Directs OHCS to review and make recommendations for streamlining homeownership program evaluation and reporting procedures. Appropriates, for the biennium beginning July 1, 2023, \$200,000 in General Fund moneys to OHCS to convene trainings and conduct evaluation.

**Homeownership financial literacy.** Directs OHCS, in consultation with the Department of Consumer and Business Services (DCBS) and the Bureau of Labor and Industries (BOLI) to inventory and evaluate existing local, state and national materials for financial literacy education for home purchasers and existing homeowners. Directs OHCS to include in inventory and make publicly available financial literacy materials that are accessible and culturally and geographically relevant. Directs department to develop and periodically update financial literacy brochure that is translated into the five most commonly spoken languages other than English, and to distribute brochure to Oregon mortgage brokers and mortgage bankers. Directs mortgage bankers and mortgage brokers to provide borrower with financial literacy brochure prior to closing any mortgage loan. Financial literacy provisions are operative January 1, 2026.

*FISCAL: May have fiscal impact, but no statement yet issued*

*REVENUE: No revenue impact*

#### ISSUES DISCUSSED:

##### EFFECT OF AMENDMENT:

-2 Replaces the measure.

Removes provisions in -1 amendment requesting \$73 million in General Fund moneys to support the department's homeownership programs. Corrects OHCS account names to which certain funds are appropriated.

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Appropriates, to Oregon Housing and Community Services for the biennium beginning July 1, 2023:

- \$10 million in General Fund moneys to the OHCS Revolving Account to provide down payment assistance grants to culturally responsive, culturally specific, or tribal organizations;
- \$25 million in General Fund moneys to the Housing Finance Fund to provide flexible loans for home purchasers;
- \$4 million in General Fund moneys for grants to each of the nine federally recognized Oregon tribes to support the needs of low-income home purchasers and home owners;
- \$4.8 million in General Fund moneys for grants to up to 24 culturally responsive or culturally specific organizations to expand homeownership services.

Appropriates, to the Bureau of Labor and Industries (BOLI) for the biennium beginning July 1, 2023:

- \$2.4 million in General Fund moneys for a grant to the Fair Housing Council of Oregon to support fair housing;
- \$2.3 million in General Fund moneys to support BOLI's fair housing investigations, education, and outreach efforts.

Appropriates, to the Department of Justice for the biennium beginning July 1, 2023:

- \$500,000 in General Fund moneys to enforce fair housing laws.

Declares emergency, effective on passage.

### **BACKGROUND:**

According to the U.S. Census Bureau's American Community Survey (ACS) five-year estimates from 2016-2020, homeownership rates are significantly lower for communities of color in Oregon than for white people. Among Oregonians of color, the homeownership rate is 33 percent for Black or African American households, 48 percent for American Indian/Alaskan Native households, and 43 percent for Hispanic or Latino households, compared to the white household homeownership rate of 66 percent.

In 2018, the Legislative Assembly enacted House Bill 4010, which established the Joint Task Force on Addressing Racial Disparities in Home Ownership. The Task Force was directed to compile data, identify barriers, investigate mortgage practices, and recommend solutions regarding homeownership among people of color in Oregon. In a report to the Legislative Assembly in September 2019, the task force provided policy recommendations, with topic areas including: addressing educational, occupational, or income disparity barriers; addressing the housing system, lending, land use, or supply; and homeownership barriers controlled or regulated by the federal government.

House Bill 2007 (2021) reestablished the Joint Task Force on Addressing Racial Disparities in Home Ownership, directing the body to assess the work and reports of the previous Task Force and propose solutions to ameliorate conditions reducing or preventing home ownership among people of color in Oregon. In its October 2022 report to the Legislative Assembly, the Task Force recommended sustained or increased funding for individual development accounts, down payment assistance, and fair housing enforcement and awareness. It also recommended funding and capacity building support for culturally-responsive and tribal homeownership organizations, and development of a state-led inventory and distribution of financial literacy materials for first-time home buyers and homeowners of color.

House Bill 3488 directs Oregon Housing and Community Services (OHCS), the Department of Land Conservation and Development (DLCD) and the Department of Consumer and Business Services (DCBS) to conduct a biennial report on measurable changes in disparities in homeownership by communities of color in Oregon. The measure requires OHCS to identify and remove barriers for low-income individuals with an individual taxpayer

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identification number in accessing down payment assistance. It directs OHCS to partner with culturally responsive or culturally specific organizations to convene peer learning and virtual training programs for housing counselors. Finally, the measure directs OHCS to inventory and make publicly available culturally-specific and multilingual financial literacy materials, and to develop a financial literacy brochure for distribution by mortgage bankers and mortgage brokers.