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Measure Description:

Authorizes Housing and Community Services Department to provide grants and technical assistance to organizations increasing homeownership program access to persons of color.

Government Unit(s) Affected:

Housing and Community Services Department (HCSD), Department of Consumer and Business Services (DCBS), Legislative Assembly (LAC), Legislative Policy and Research Office (LPRO), Appraiser Certification and Licensure Board, Oregon Real Estate Agency (OREA)

Summary of Fiscal Impact:

Quantifiable costs related to the measure will require budgetary action. In addition, certain costs related to the measure are indeterminate at this time - see analysis.

Analysis:

HB 4003 A-Engrossed appropriates an unspecified amount of General Fund to the Legislative Policy and Research Committee to provide staffing support to the Joint Task Force on Addressing Racial Disparities in Home Ownership. In addition, the bill appropriates unspecified amounts of General Fund to the Housing and Community Services Department (HCSD) for the following purposes:

\$1 for deposit into the Home Ownership Assistance Account to fund technical assistance grants.

- Loans to organizations that both sponsor and manage homeownership programs for households with income at or below area median income.
- Technical assistance and grants and loans to organizations that work with households with income at or below area median income, assisting persons of color in obtaining homeownership.
- To provide grants and loans to entities that support a comprehensive strategy to reverse the decreasing rates of homeownership among persons of color, giving priority to activities that support adopted comprehensive community plans that incorporate recognized best practices, and demonstrate proven success in increasing homeownership for persons of color.
- To provide grants to fiduciary organizations to administer the Individual Development Accounts (IDA) and to supplement matching funds to holders.

The bill directs HCSD in consultation with the Oregon Housing Stability Council to provide grants and technical assistance to organizations increasing homeownership access to persons of color. The bill authorizes HCSD to expend Home Ownership Assistance Account funds for these purposes and makes funds available to federally recognized Indian tribes. In addition, the bill continues the work of the 16-member Joint Task Force on Addressing Racial Disparities in Home Ownership charged with continuing investigations and recommending solutions to ameliorate conditions reducing or preventing home ownership among people of color in this state. The Task Force must submit a report to the Legislature by December 1, 2020. The Task Force sunsets on February 1, 2021.

Housing and Community Services Department (HCSD)

HCSD estimates cost of administering the grants programs required by the bill to be \$423,184 General Fund and 4 positions (1.75 FTE) for the 2019-21 biennium; and \$771,766 General Fund and 4 positions (3.50 FTE) for the 2021-23 biennium. These calculations do not include an estimate for Special Payments needed for down payment and technical assistance grants. Administrative costs include the salary and related expenses for the following positions:

- One Program Analyst 3 position to develop the program to provide technical assistance to grantee organizations and culturally-specific organizations, including facilitating rulemaking, overseeing a competitive process to determine grantees, and managing the program after implementation.
- One part-time Program Analyst 4 position to provide technical assistance across the state and to work closely with the Program Analyst 3 position.
- One Operations and Program Analyst 3 position to provide language access for communities that do not speak English as their primary language. This position will ensure that outreach and technical assistance materials are available and understandable to various populations.
- One Operations and Program Analyst 3 position to spearhead the Individual Development Account Initiative and tax credits program. This position will also work with the language access position to ensure that IDA materials are in multiple languages.

The Legislative Fiscal Office (LFO) notes that while funding is assumed to be one-time in nature, HCSD does not anticipate that it could create the culturally specific homeownership technical assistance guidelines and fully disperse funding within the 2019-21 biennium. To ensure funds are fully disbursed and attendant staffing needs are funded, the agency would transfer a portion of the General Fund to Other Funds for expenditure in 2021-23.

Appraiser Certification and Licensure Board, Oregon Real Estate Agency (OREA)

The fiscal impact of this bill on OREA and the Board is anticipated to be minimal. The bill modifies real estate statutes to require a buyer's agent to provide the buyer with a copy of an informational handout regarding programs, grants, and other resources available to low-income home buyers in a form prescribed by HCSD. The bill requires the Appraiser Certification Licensure Board to adopt rules amending the education criteria for certification or licensure of appraisers to include information relating to implicit bias, including racial bias, and historical and current discriminatory housing policies and practices in Oregon that disadvantage persons of color. The bill requires the Real Estate Commissioner to include information relating to implicit bias within education and examination requirements for real estate licensees. OREA and the Board will use existing staff and resources to comply with the provisions of the bill.

Department of Consumer and Business Services (DCBS)

The fiscal impact of this bill on DCBS is anticipated to be minimal. The bill requires DCBS to require implicit bias training for mortgage loan originators. It gives DCBS the authority to establish additional training requirements by rule. DCBS anticipates using existing staff and resources to develop new training requirements and perform rulemaking activities.

Policy and Research Office (LPRO)

The bill requires LPRO to continue to provide staff support to the Joint Task Force on Addressing Racial Disparities in Home Ownership. The 2019-21 Legislative Branch budget contains funds appropriated for LPRO support of interim committees and task forces.

Legislative Assembly

The bill specifies that non-legislative members of the Task Force serve as volunteers and are not entitled to compensation and reimbursement. However, four members of the Task Force will be legislative members who are entitled to per diem and travel reimbursement. Assuming three Task Force meetings, the estimated per diem and travel reimbursement cost for the four legislative members is expected to be approximately \$2,800 General Fund. This amount includes the Federal Insurance Contribution Act (FICA) tax, and assumes per diem remains at \$151 per day, and the average mileage of 90 miles at the current rate of \$0.58 per mile. Although the 2019-21 Legislative Assembly budget includes funds allocated for interim committee and task forces, if the work required by this Task Force, or if the cumulative enactment of other legislation with interim committees and task forces exceeds expenditure levels beyond those assumed in the 2019-21 budget, additional General Fund resources may be required. The Task Force would not incur additional costs to the Legislative Assembly budget if the meetings are held at the Capitol building during Legislative Session, Task Force, or Legislative Days.