



**OREGON HOUSING and
COMMUNITY SERVICES**

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February 12, 2021

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

RE: Member questions related to Senate Bill 79

Dear Chair Jama and Members of the Committee:

Thank you for holding a public hearing on [Senate Bill 79](#), which makes technical fixes and programmatic changes to Homeownership Assistance Program (HOAP). Many of these changes stem from the [Joint Task Force on Addressing Racial Disparities in Homeownership \(2019-20 meeting\)](#) and [2018-19 meetings](#)). During the hearing, members raised great of questions:

Senator Anderson asked why OHCS would determine the definitions for “persons of color” by rule:

OHCS is working to establish standard definitions for “persons of color” and other words and terms in line with our equity and racial justice work. This definition is still in development, and OHCS needs additional public participation to finalize the definition. OHCS would like to use a Rules Advisory Committee to ensure it is specific while not excluding any communities of color.

Senator Anderson asked what SB 79 will allow OHCS to do that we cannot do now:

The bill allows OHCS to:

- Work with Oregon’s nine federally recognized tribes to deliver HOAP resources for the first time in program history
- Confirms the income level for HOAP, which impacts who can access resources
- Replaces the term ‘farmworker’ with ‘agricultural worker’, which expands the workers included
- Allows HOAP funds to be used for outreach, language access, and to expand culturally specific homeownership counseling

OHCS can already use HOAP funds to provide down payment assistance. However, SB 79 codifies that use and removes outdated language referencing housing development. HOAP is not used to develop homes, as the funding level is too low and OHCS offers other development resources. The bill also calls out other strategies to address racial disparities in homeownership to establish intent for these funds.



Senator Patterson asked about average rent v mortgage payments:

This is a great question, but the answer can be misleading. This response will reflect all renters, including those who just started a new lease and those who have been in their apartment for 30 years with no updates, and all owners including those who already refinanced a couple of times and are about to pay off their mortgage tomorrow. The average rent and mortgage payments are not a reflection of what the average rent would be if a person were to find a new lease tomorrow or what the payment would be if a person were to get a mortgage on a new home tomorrow.

In 2019 in Oregon, the median payment on housing units with a mortgage was \$1750, while the median payment for rents was \$1185. This varies by geography, with the median homeowner payment at \$2009 and the median rental payment \$1312 in Multnomah County, as compared to Harney County where the median homeowner cost was \$1003 and median rent payment was \$648. This does not take into account the variances of these costs over different races and ethnicities, nor does it take into account that people of color experience higher rates their incomes going toward housing payments as can be shown in the rent burdening data, when more than 30% of income goes toward the housing payment.

Alison McIntosh referenced a -1 amendment in the works:

OHCS works closely with the Oregon Housing Alliance in developing legislative concepts and on the [2021 Legislative Agenda](#) at large. SB 79 is a redraft of [House Bill 4003 \(2020\) Sections 1-4](#) which would allow OHCS to change programmatic funds from grants to loans, and to allow OHCS to grant or loan funds directly to individuals. As OHCS shared with partners this week ([meeting recording](#)), OHCS will remove this language in the [-1 amendment](#). OHCS requested any additional suggestions be shared with us by the end of this week and will meet with partners to finalize this language next week.

Thank you for the opportunity to discuss the HOAP program and the improvements OHCS is seeking through Senate Bill 79. Please reach out if you have any questions,

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