



April 18, 2023

Sheila Stiley, Board chair – NW Coastal Housing

Kymberly Horner, Vice-chair - Portland Community Reinvestment Inc.

Rachael Duke, Secretary - Community Partners for Affordable Housing

Kristy Rodriguez, Treasurer - Housing Authority of Malheur & Harney Counties

Trell Anderson – Northwest Housing Alternatives

David Brandt - Housing Works

Wakan Alferes - Homes for Good

Rita Grady – Polk CDC

Maria Elena Guerra - Farmworker Housing Development Corp

Nkenge Harmon Johnson – Urban League of Portland

Brad Ketch – Rockwood CDC & Community Dev. Corp. of Oregon

Erica Mills – NeighborWorks Umpqua

Shannon Vilhauer – Habitat for Humanity Oregon

House Committee on Housing & Development
Oregon State Legislature
900 Court Street NE Salem, OR 97301

RE: Support for SB 702

Dear Chair Dexter, Vice-Chair Gamba, Vice-Chair Helfrich, and Members of the Committee:

Housing Oregon supports SB 702, which would require implicit bias training for real estate appraisers and address persistent racial inequities in homeownership. We urge that the Committee pass SB 702.

Housing Oregon is a membership-based statewide association of over eighty affordable housing nonprofit developers and ally businesses committed to serving and supporting low-income Oregonians across the housing needs spectrum – from homeless to homeowner. Our members believe SB 702 is a common-sense step to address racial disparities in homeownership in Oregon by ensuring that the all-important role appraisers play does not unintentionally eliminate wealth creation for households of color across the state.

Oregon has a complicated history relating to property and the racial disparities that have excluded Black Americans from homeownership contributing to a generational racial equity wealth gap. Despite numerous actions of the federal government and Oregon to address these disparities with policies that support fair access and treatment in the real estate market, we recognize more work is needed to support fair access to homeownership for communities of color across the state.

The Joint Advisory Task Force on Addressing Racial Disparities in Homeownership has continued to develop legislative policy proposals that address these existing disparities in homeownership for Black, Indigenous, and People of Color communities since its formation in 2018.

The Task Force has found that Black Oregonians have the lowest rates of homeownership, with 32.2% of households owning a home, compared to 65.1% of White Oregonians. Based on an evaluation of

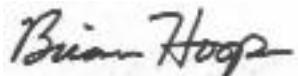
appraisals submitted to Freddie Mac, they concluded that Black majority areas receive appraisal values lower than contract prices 12.5% of the time, compared to 7.4% of the time in predominantly White neighborhoods. Majority Latino neighborhoods were appraised below contract price 15.5% of the time. Appraisal gaps identified were not being driven by a handful or small fraction of appraisers in the marketplace, but a substantial portion of appraisers who worked both in predominantly White and non-White areas.

SB 702 is one of eleven proposals coming from the Task Force's most recent report released in September 2022. Legislative requirements already exist for implicit bias training for mortgage lenders and continuing fair housing education for real estate professionals. SB 702 extends those requirements for certification or licensure to appraisers to ensure that all significant actors in real estate transactions have the proper training to produce equitable results in their work.

The cause for addressing implicit bias is due in part because the bias in question was not always so implicit. The Fair Housing Council of Oregon has noted that in the 1920s, real estate appraisers overtly and confidently evaluated homes based on a neighborhood's racial or ethnic composition. One real estate appraisal manual went as far as to rank racial and ethnic groups from top to bottom "according to their effect on property values."

Housing Oregon urges your support of SB 702. Thank you for your consideration of our comments, and for your service to our state. You can reach me at 503-475-6056 or brian@housingoregon.org.

Sincerely,



Brian Hoop
Executive Director
Housing Oregon