



HOUSING ALLIANCE

Document Recording Fee, Frequently Asked Questions and Accomplishments (2009-2017)

We all need a safe, stable place to call home, with enough left over after paying for housing to afford the basics – food, utilities, medicine, and transportation. Today, this is out of reach for far too many of our neighbors in rural and urban communities throughout the state. Tenants are living with extreme rent increases, sometimes several hundred dollar rent increases. During the last school year, 22,500 of our school children in grades K – 12 experienced homelessness. One in four of Oregon’s renters spends more than half of their income on housing.

As a state, we can do more to create a thriving Oregon where everyone has a safe place to call home. Since 2009, Oregon has had a document recording fee which has generated resources to help more Oregonians afford safe, stable places to call home. **In 2018, the Oregon Housing Alliance will be asking the Legislature to significantly expand the document recording fee from \$20 to \$75 help address this housing crisis.**

The document recording fee is an on-going, dedicated revenue source which has been a critical tool to provide housing opportunity for thousands of Oregonians with low incomes. **Since 2009, the document recording fee has raised \$91 million.** By statute, those resources go to our state’s housing finance agency, Oregon Housing and Community Services (OHCS) for three purposes: 10% of those resources go to the Emergency Housing Account; 14% of those resources go to the Home Ownership Assistance Program; and 76% of these resources go to the General Housing Account Program. Twenty-five percent, or one out of every four dollars goes to serve veterans by statute.

Emergency Housing Account: This effective and efficient program funds emergency rent assistance programs through a network of Community Action Agencies. This program works to prevent and end homelessness. Ten percent of the document recording fee is dedicated to the Emergency Housing Account.

- Community Action Agencies serve all 36 counties across Oregon.
- It provides rent assistance to help keep someone in their home, or it provides assistance with deposits, application fees, and rent to help end someone’s homelessness.

Home Ownership Assistance Program: This program funds a statewide network of homeownership centers. Fourteen percent of the document recording fee is dedicated to the Home Ownership Assistance Program.

- Homeownership Centers serve all 36 of Oregon’s counties, providing counseling and education for first-time homebuyers, as well as support to homeowners who may be facing foreclosure.
- Organizations across the state have also helped new homebuyers with down payment assistance.

General Housing Account Program: This program funds the development and preservation of safe, stable and affordable places to call home for Oregonians who need them. Seventy-six percent of the document recording fee is dedicated to the General Housing Account Program.

- More than 4,300 affordable homes have been built or preserved in 55 towns and cities all across Oregon.
- These homes serve seniors, people with disabilities, veterans, and households with low incomes.
- Six percent of this program can be used by OHCS to build capacity across Oregon – that could include technical assistance to affordable housing providers or even local jurisdictions.

Affordable Housing for Veterans:

Recently, two projects built with document recording fee resources from the General Housing Account Program, specifically for veterans opened in Medford and Klamath Falls. Victory Commons, in Klamath Falls, is home to ten veterans: <http://bit.ly/2CByMHD> and <http://bit.ly/2kJZbf1>. Victory Place, in Medford, is home to seventeen veterans: <http://bit.ly/2yWIC64> and <http://bit.ly/2yVcs9J>.

Frequently Asked Questions

How can organizations utilize resources from the document recording fee to make a difference in their communities? Depending on the type of resource, the funds are either distributed by formula or by competitive allocation:

- The Emergency Housing Account, or EHA, is distributed to Community Action agencies in 36 counties across Oregon. The funds are distributed based on a formula which factors in the number of people experiencing homelessness and housing instability, and poverty.
- The Home Ownership Assistance Program, or HOAP, is distributed partially by formula, and partially competitively. The program supports a network of homeownership centers across Oregon, which provide homebuyer education and counseling, and financial education and counseling. These funds are distributed by formula. In addition, OHCS offers competitive funds which provide down payment assistance to first time home buyers with low incomes, and more recently, home repair for veterans.
- The General Housing Account Program is a competitive resource. OHCS, as the Housing Finance Agency in Oregon, receives and distributes federal and state resources to build and preserve affordable housing. Affordable housing development typically has many funding sources which are paired together to fund the project. Resources from the document recording fee are paired with other grants, loans, and tax credits to fund a project, and these resources are allocated competitively. OHCS routinely receives three or four applications for every one they can fund due to high demand and needs for affordable homes in our communities, and extremely limited resources.

What transactions does the document recording fee apply to? The fee is paid on real estate documents recorded with the County Clerk. The primary filing would be the purchase or refinancing of a home. Other examples might include changes in ownership that need to be recorded or a foreclosure. Currently, the Department of Revenue is exempt from paying the fee. The 2018 bill would propose to also exempt county tax collectors. The statute also exempts instruments to maintain mining claims, warrants issued by the Employment department, and some judgments.

Who pays the fee? If someone is changing who is on the title, do they pay the fee?

Many of us pay the fee! When we can afford to buy a home, we get the opportunity to help make sure our neighbors also have a safe place to call home by paying this document recording fee for affordable housing. We may pay the fee as part of our closing costs, or refinancing a home. If someone needs to change who is on the title, due to a death or marriage or divorce, they will need to pay the fee, along with other recording fees.

What about manufactured home owners?

If someone is purchasing a manufactured home to place it on rented land, which is often a common scenario, they would not pay the fee. Manufactured homes are considered personal property, and not real estate. If someone was purchasing land plus a manufactured home, they would pay the fee when they purchased the land.

Could a County choose to subsidize the fee for lower income or fixed income residents?

We believe so, yes! We believe a County could, for example, use general fund or revenues from a commercial Construction Excise Tax, to pay the fee on behalf of lower income residents if they wanted to.

Helping support

homeownership: Niyah, a single mother and foster mom, started working with NEDCO in Lane County 2012 when she attended a financial education course. Since that time, she has worked with educators and counselors to set and reach financial goals. In 2014 she began saving toward her goal of homeownership. Niyah received downpayment assistance funds from Oregon Housing and Community Services, and purchased a home this December.

How much does the fee currently generate, and how much would it generate if the Legislature raised it to \$75? What would that money be used for? The fee, currently \$20, generates an average of \$28 million per biennium. If the Legislature were to raise the fee to \$75, it would generate approximately \$105 million per biennium. Currently, we are in the midst of an affordable housing crisis, and we know we have incredible need for a substantial investment in preventing and ending homelessness, helping people access safe, stable, and affordable housing, and making homeownership more attainable. The increased fee would keep the same statutory purposes. Housing advocates have requested that if the fee is increased, that there be discussions with OHCS about the best and most strategic use of the funds going forward.

How many states use a document recording fee for housing? What is the range of fees?

There are many states that have a document recording fee to help fund their affordable housing needs. In addition to Oregon, Washington and California both have document recording fees for affordable housing. Washington State has several fees for housing which total \$62, and California recently passed a \$75 fee. In addition, Delaware, Kentucky, Missouri, and Ohio, among others, have a document recording fee for affordable housing.

Could you change the structure of the fee?

In 2012, the Oregon voters approved Measure 79, which was a constitutional amendment which forbid future real estate transfer taxes and new document recording fees. The measure specifically grandfathered in this fee, and the proponents of that measure have indicated they believe it was written to allow increases to this fee. As a result of this measure, though, we do not believe we could change the percentages or structure of the fee.

Could it be a sliding scale fee based on the value of the property?

We believe this would be considered a real estate transfer tax given it would be based on the value of the home. We do not believe this would be allowable under current law. Real estate transfer taxes are common tools to fund affordable housing in other states.

What are you proposing in 2018? In 2018, we are proposing to increase the fee to \$75 to better meet the needs in our communities for affordable housing.

Are you proposing any changes to the existing use of the funds in 2018? We are not currently proposing any changes to the existing use of the funds in 2018. We do expect that if the increase passes, housing advocates and others will want to discuss potential investments of the new resources and how we address pressing needs.

How and where have existing funds been spent?

Funds have been spent in every County in Oregon in a range of ways. They provide emergency rent assistance, and they provide access to first time homebuyer counseling and education in every county. In many communities, they have built or preserved over 4,300 units of affordable housing. Additional information is available about where and how these funds have been spent over time.

How are the resources distributed, and how do we ensure the resources meet needs across Oregon?

Oregon Housing and Community Services (OHCS) is the State's Housing Finance Agency. OHCS's mission is to

*Resources from the **Emergency Housing Account** create stability for some of our most vulnerable families by enabling them to access permanent housing. "Kaylie" and her three children have experienced a great deal of trauma but finally felt safe when they arrived at Northwest Housing Alternatives' Annie Ross House. When Kaylie lost her partner in a car accident, she could not afford a home on her own and the family began "couch surfing", a common form of housing instability experienced by families with children. Parents will often do whatever is necessary to keep a roof over their kids' heads. Unfortunately, the family again found themselves without a safe place to call home. Kaylie and her children arrived at the Annie Ross House and began the hard work of rebuilding their lives. The family qualified for Northwest Housing Alternatives' HomeBase program, and received help with rapid re-housing and support to transition out of homelessness. After fifteen days in shelter, Kaylie's family moved into a home of their own. The family is now doing well and maintaining their stability. Resources from the Emergency Housing Account help families just like theirs every day across Oregon.*

provide stable and affordable housing and engage leaders to develop integrated statewide policy that addresses poverty and provides opportunity for Oregonians. OHCS administers the resources and programs created and funded through the document recording fee. OHCS routinely publishes information about the document recording fee, and allows users to download information about amounts collected and how they are distributed: <http://www.oregon.gov/ohcs/Pages/reports-document-recording-fee.aspx/>. The Housing Alliance, with other partners, monitors reports to ensure geographic distribution of resources.

Why is it important that the fees be collected by OHCS and centralized, and then distributed? Centralized collection and distribution of these resources is important for several reasons:

- It allows resources for building and preserving affordable homes to be matched with federal grants and loans and other state resources, many of which are administered by OHCS.
- It allows funds to accumulate at the state level, and projects of size and scale receive enough resources to move forward.
- Larger communities may have other sources of funding for affordable housing, such as federal Community Development Block Grant resources, or local Tax Increment Financing funds. In smaller communities, the document recording fee plays a key role in filling funding gaps where no local funding sources for affordable housing exists.

Housing Alliance Members

1000 Friends of Oregon

211info

A Community Together (Lane County)

Aging in the Gorge

Benton County Health Department

Benton Habitat for Humanity

Bienestar

Bradley Angle

BRIDGE Housing

CASA of Oregon

Central City Concern

Church Women United of Lane County

City of Beaverton

City of Eugene

City of Hillsboro

City of Portland

City of Tigard

Clackamas County

Coalition of Community Health Clinics

Coalition of Housing Advocates

Common Ground OR-WA

Community Action Partnership of Oregon

Community Alliance of Tenants

Community Energy Project

Community Housing Fund

Community Partners for Affordable Housing

Community Vision

Cornerstone Community Housing

Ecumenical Ministries of Oregon

Enterprise Community Partners

Evolve Property Management

Fair Housing Council of Oregon

Farmworker Housing Development Corp.

FOOD for Lane County

Habitat for Humanity of Lincoln County

Habitat for Humanity of Oregon

Habitat for Humanity Portland/Metro East

Hacienda CDC

Housing Authority of Clackamas County

Housing Development Center

Housing Oregon

Human Solutions

Immigrant & Refugee Community Organization

Impact Northwest

JOIN

Lane County Health and Human Services

League of Women Voters of Oregon

Lincoln County

Mainstream Housing Inc.

Metro

Mid-Columbia Housing Authority

Momentum Alliance

NAYA Family Center

Neighborhood Economic Development Corp.

Neighborhood Partnerships

NeighborImpact

NeighborWorks Umpqua

Network for Oregon Affordable Housing

Nightingale Public Advocacy Project

Northwest Housing Alternatives

Northwest Pilot Project

Oregon AFSCME Council 75

Oregon Center for Christian Voices

Oregon Center for Public Policy

Oregon Coalition on Housing & Homelessness

Oregon Council on Developmental Disabilities

Oregon Food Bank

Oregon Housing Authorities

Partners for a Hunger-Free Oregon

Portland Community Reinvestment Initiatives

Proud Ground

Raphael House

REACH CDC

St. Vincent de Paul of Lane County, Inc.

ShelterCare

Sisters Habitat for Humanity

Sponsors, Inc.

SquareOne Villages

Street Roots

Transition Projects

Urban League of Portland

Washington County

Welcome Home Coalition

Willamette Neighborhood Housing Services