

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	5 - 0 - 0
Yeas:	Bates, Kruse, Morse, Shields, Monnes Anderson
Nays:	0
Exc.:	0
Prepared By:	Brian Nieubuurt, Administrator
Meeting Dates:	2/2

WHAT THE MEASURE DOES: Expands and clarifies the Housing and Community Services Department's (Department) authority regarding use of moneys in the House Development and Guarantee Account (Account). Authorizes the Department to set interest rates on loans made from the Account.

ISSUES DISCUSSED:

- Role of banks
- Corpus of the Account
- Ability of nonprofits to benefit from the Account

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Department is Oregon's housing finance agency, providing financial and program support to create and preserve opportunities for quality, affordable housing for Oregonians of lower and moderate income. The Department was created in 1991 when the legislature merged the Oregon Housing Agency with State Community Services.

The Oregon Housing Fund is separate from the General Fund, and consists of five separate revolving accounts: (1) The Housing Development and Guarantee Account; (2) The Emergency Housing Account; (3) The Home Ownership Assistance Account; (4) The Farmworker Housing Development Account; and, (5) The General Housing Account. Current law only allows for distribution of Account investment revenue. SB 151 amends the law to allow the Department to distribute other funds credited to the Account.

Current law also requires loans provided through the Account to bear an interest rate that is equal to the interest rate paid on U.S. Treasury long-term obligations. The Department indicates that this limits the ability to provide low or zero interest loans that can be important when housing is developed to serve the very lowest income residents.

2/8/2011 8:15:00 AM

This summary has not been adopted or officially endorsed by action of the committee.