

**STAFF MEASURE SUMMARY****House Committee On Rules****Fiscal:** Fiscal impact issued**Revenue:** No Revenue Impact**Action Date:** 05/20/15**Action:** Do Pass As Amended, Be Printed Engrossed, And Bill Be Referred To Ways And Means.**Meeting Dates:** 05/18, 05/20**Vote:**

Yeas: 5 - Barnhart, Hoyle, Nosse, Rayfield, Smith Warner

Nays: 4 - Gilliam, Kennemer, McLane, Wilson

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**WHAT THE MEASURE DOES:**

Defines affordable housing, area median income and development for purposes of statute. Directs Oregon Housing and Community Services (OHCS) to develop and implement the Local Innovation and Fast Track Housing (LIFT Housing). Creates Affordable Family Housing Development Fund within General Fund. Allows OHCS to acquire, construct, develop, improve, rehabilitate, own, conserve, operate and dispose of property for purpose of affordable housing for families with children. Requires report to Legislative Assembly on or before February 1, 2016.

**ISSUES DISCUSSED:**

- Investment in affordable housing
- Costs associated with acquisition, construction and rehabilitation of housing
- Role of state as landlord
- 60 percent median family income threshold for eligibility to participate in new program
- Removal of properties from local property tax rolls
- Responsibility for homeowner insurance premiums
- Role of OHCS in developing and implementing program

**EFFECT OF COMMITTEE AMENDMENT:**

Deletes reference to “metropolitan statistical” in definition of “area median income.” Changes program name to “Local Innovation and Fast Track Housing” or “LIFT Housing.” Clarifies contracting and funding authority for program. Allows Oregon Housing and Community Services (OHCS) to purchase land for affordable housing development. Outlines funding preferences. Changes language on state’s contribution to properties from “loans and grants” to “equity contribution” to align with Article XI-Q bond requirements. Details OHCS’s legislative reporting requirements.

**BACKGROUND:**

Oregon’s communities lack affordable housing. Some communities are facing vacancy rates of less than 1 percent, which has caused families who have received assistance, like Section 8 vouchers, to be unable to use them. The Governor’s proposed budget included \$85 million in General Obligation, Article XI-Q Bonds and \$15 million in Lottery Backed Bonds for the purpose of investments in affordable housing. Oregon Housing and Community Services estimates that between 3,000 and 4,000 new units could be built with a \$100 million investment.

House Bill 2198-B sets parameters for the affordable housing investment outlined in the Governor’s proposed budget. To that end, it directs Oregon Housing and Community Services to use the funding to create new affordable housing targeting families at or below 60 percent median family income using public/private partnerships.