

HB 2570 -1 STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/9, 3/30

WHAT THE MEASURE DOES:

Directs Oregon Housing and Community Services (OHCS) to establish the Affordable Homeownership Grant Program to provide grants to eligible nonprofit organizations with homeownership programs providing opportunities to persons in low income households throughout the state. Specifies the purpose of grant to be for purchase or leverage loan for new homes, rehabilitate homes, or purchase manufactured homes for first-time low income homeowners or for nonprofit. Defines minimum rule for grant qualification to have an established and operating affordable homeownership program. Specifies application process for nonprofit organization applying to participate in Affordable Homeownership Grant Program and requirements for repayment of grant. Requires nonprofit organization to report annually to OHCS on status and use of grant funds including information on activities, loans, number of homes or manufactured homes purchased, constructed or rehabilitated, amount of administrative expenses and demographic data on recipients. Specifies the amount of loans purchased or leveraged shall not constitute a debt or lending credit of the state. Requires nonprofit organization to create and administer a revolving fund for recipients to purchase, construct, or rehabilitate a home or manufactured home. Requires consultation with OHCS to establish eligibility requirements and standards for recipients. Establishes in State Treasury the Affordable Homeownership Grant Program Fund separate from the General Fund. Appropriates \$25 million from the General Fund to the Affordable Homeownership Grant Program beginning July 1, 2017.

ISSUES DISCUSSED:

- Affordability of homeownership for low income households
- Benefits of homeownership
- Responsibilities associated with homeownership

EFFECT OF AMENDMENT:

-1 Defines first-time homeowner as individual who has not owned or purchased, individually or jointly, a single-family residence during period of three years immediately prior to date of the purchase of a single-family residence. Clarifies definition of first-time homeowner to not apply to displaced homemakers, individuals who have lost homeownership as a result of divorce or owners of manufactured homes. Clarifies grants to be awarded in geographically diverse manner throughout the state.

BACKGROUND:

Oregon Housing and Community Services currently implements programs assisting low to moderate income families through the Home Ownership Assistance Program, Residential Loan program and the Oregon Foreclosure Avoidance program.

House Bill 2570 directs Oregon Housing and Community Services (OHCS) to establish the Affordable Homeownership Grant Program to provide grants to eligible nonprofit organizations with homeownership programs providing opportunities to persons in low income households throughout the state. The purpose of grant is to purchase or leverage loan for new homes, rehabilitate homes, or purchase manufactured homes for first-time low income homeowners or for nonprofit. The bill defines the minimum rule to qualify for the grant for nonprofit to have an

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established and operating affordable homeownership program. HB 2570 specifies application process for nonprofit organization applying to participate in Affordable Homeownership Grant Program and requirements for repayment of grant. The bill requires nonprofit organizations to report annually to OHCS on the status and use of grant funds including information on activities, loans, number of homes or manufactured homes purchased, constructed or rehabilitated, amount of administrative expenses and demographic data on recipients. The bill specifies the amount of loans purchased or leveraged shall not constitute a debt or lending credit of the state and requires nonprofit organization to create and administer a revolving fund for recipients to purchase, construct, or rehabilitate a home or manufactured home. The bill requires consultation with OHCS to establish eligibility requirements and standards for recipients.

HB 2570 establishes in State Treasury the Affordable Homeownership Grant Program Fund separate from the General Fund. Appropriates \$25 million from the General Fund to the Affordable Homeownership Grant Program beginning July 1, 2017.