

Summary of HB2002-2

Prepared by Taylor Smiley Wolfe

Section 1: Defines properties that are subject to these provisions as “Publicly supported housing”

Properties that are considered “publicly supported housing”

- 1) Multifamily rental housing development with five or more units that has a contract for rent assistance from:
 - a. United States Department of Housing and Urban Development (HUD)
 - b. United States Department of Agriculture (USDA)
 - c. Oregon Housing and Community Service Department (OHCS)
 - d. Other government assistance or subsidy that includes an affordability restriction and is identified by OHCS in rule.

Properties that are exempt from “publicly supported housing”

- 1) Multifamily rental housing development:
 - a. For which the development or developer received only a:
 - i. Construction Excise Tax Waiver,
 - ii. System Development Charge Waiver,
 - iii. Fee waiver, or
 - iv. Property Tax Abatement.
 - b. That is part of an inclusionary housing program
 - c. That receives tenant-based federal rent subsidy payments under Housing Choice Voucher Program
 - d. That receives project-based rental assistance administered by a housing authority under Section 8
 - e. That receives tenant vouchers from United States Department of Ag

Section 2: Internal Cross References

Section 3: Noticing Requirements for Expiring and Terminating Contracts & Local Govt Authority

Owner must provide 2 years notice if contract for property is set to expire or terminate:

- 1) If any action results in the property being withdrawn from publicly supported housing, owner must provide notice to OHCS and the local government.

If property owner fails to notice, they must extend the affordability restriction on the property

- 1) Affordability restriction must be extended by the number of months that the property owner is in noncompliance with notice requirements

Noticing does not apply under the following circumstance:

- 1) Local government or state takes the participating property by eminent domain or negotiated purchase in lieu or eminent domain,
- 2) There is a forced sale of a participating property under a foreclosure, or
- 3) The participating property is subject to a deed in lieu of foreclosure.

Other Authorities:

- 1) Local Government may apply to Housing and Community Services to include a local subsidy program in definition of publicly supported housing, as long as the program complies with and is not excluded from, statutory definition.
- 2) OHCS and local government may require owner of participating property to pay replacement or tenant relocation fee.

Section 4: Internal Cross References

Section 5: Internal Cross References

Section 6: Opportunity to Purchase

Owner must provide OHCS and local government opportunity to purchase

- 1) If any of the following actions result in the withdrawal of the property from publicly supported housing, the owner must give OHCS and local government opportunity to purchase property 13 months prior to the action:
 - a. Refinancing of primary mortgage
 - b. Recapitalizing for purposes of rehabilitation or repair
 - c. Entering an agreement to sell the property to a new owner
 - d. Withdrawing the participating property from publicly supported housing.

Owner does not have to provide opportunity to purchase under following circumstances:

- 1) Local government or state takes the participating property by eminent domain or negotiated purchase in lieu or eminent domain,
- 2) There is a forced sale of a participating property under a foreclosure, or
- 3) The participating property is subject to a deed in lieu of foreclosure.

Details of Opportunity to Purchase

- 1) Applies to properties that are publicly supported housing prior to the effective date of this act.
- 2) Property owner is under no obligation to accept an offer
- 3) OHCS may appoint a designee after consulting with local government
- 4) Owner has to make documents relevant to sale available to OHCS or local govt.

Section 7: Right of First Refusal (Applies to new contracts only)

Property Owner must give OHCS, local govt, or designee the Right of First Refusal

- 1) Following opportunity to purchase window, if owner accepts a third parties offer to purchase the property, they have to provide OHCS, local govt, or designee an opportunity to match the offer.
- 2) If OHCS, local govt, or designee matches the offer, they have the right of first refusal to buy the property.
- 3) OHCS, local govt, or designee must maintain the housing as publicly supported housing.

Section 8: Enforcement

If owner fails to comply with noticing or Section 6 or 7, an individual can file a legal suit to recover damages

- 1) If the person suffers a loss as a result of failure to notice or comply with these statutes, the person may recover damages, punitive damages, or injunctive relief.
- 2) The court may award reasonable attorney fees.

Section 9: OHCS Data Collection

Directs OHCS to maintain a database on publicly supported housing and the status of affordability restrictions.

Section 10: Internal Cross References

Section 11: Effective Date of Section 6, 7 & 8

Applies to properties that are publicly supported housing on or after effective date of this act

- 1) Section 6: Opportunity to Purchase
- 2) Section 8: Enforcement

Applies to properties that are publicly supported and have contracts executed or renewed on, or after effective date of the act.

- 1) Section 7: Right of First Refusal

Section 12: Operative Date of Sections 6,7,8 and Sections 1,4,9,& 10

The following are Operative on January 1, 2018

- 1) Noticing and Opportunity to Purchase (Section 6)
- 2) Right of First Refusal (Section 7)
- 3) Enforcement (Section 8)
- 4) Definitions (Section 1)
- 5) Internal Cross References (Section 4)
- 6) OHCS database (Section 9)
- 7) Internal Cross References (Section 10)

Section 13: OHCS may take action 91st day after sine die, unless operative date is specified

Section 14: Bills takes effect on 91st day after sine die