

HB 2570 A STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

Action Date: 03/30/17

Action: Do pass with amendments
and be referred to Ways and Means by prior reference. (Printed A-Eng.)

Vote: 9-0-0-0

Yeas: 9 - Gorsek, Keny-Guyer, Meek, Nearman, Noble, Olson, Piluso, Sanchez, Stark

Fiscal: Fiscal impact issued

Revenue: Has minimal revenue impact

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WHAT THE MEASURE DOES:

Directs Oregon Housing and Community Services (OHCS) to establish the Affordable Homeownership Grant Program (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 the 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 the Affordable Homeownership Grant Program Fund. Appropriates \$25 million from the General Fund to OHCS beginning July 1, 2017 to establish the Program.

ISSUES DISCUSSED:

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

EFFECT OF AMENDMENT:

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 A directs Oregon Housing and Community Services (OHCS) to establish the Affordable Homeownership Grant Program (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

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low-income homeowners or for nonprofit. The bill defines the minimum rule to qualify for the grant for nonprofit to have an established and operating affordable homeownership program. HB 2570 A specifies application process for nonprofit organization applying to participate in the 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 A establishes the Affordable Homeownership Grant Program Fund separate from the General Fund. The measure appropriates \$25 million from the General Fund to OHCS to establish and implement the Affordable Homeownership Grant Program beginning July 1, 2017.