

## HB 2210 A STAFF MEASURE SUMMARY

### House Committee On Human Services and Housing

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**Action Date:** 04/11/17

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

**Vote:** 8-0-1-0

**Yeas:** 8 - Gorsek, Keny-Guyer, Meek, Nearman, Olson, Piluso, Sanchez, Stark

**Exc:** 1 - Noble

**Fiscal:** Fiscal impact issued

**Revenue:** Has minimal revenue impact

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#### WHAT THE MEASURE DOES:

Directs Housing and Community Services Department (OHCS) to develop and implement the Retaining Affordable Rental Housing Program (program) to provide financial assistance to owners of multifamily rental housing for rehabilitation and maintenance of housing at affordable rental rate. Requires OHCS to make forgivable loans to landowners of eligible multifamily rental housing and develop application process for loans. Allows OHCS to forgive ten percent of the loan each year the landowner rents units for an affordable rental rate. Requires OHCS and landowner to enter into a contract specifying purpose of loan, execution of written instruments and payment requirements if loan is used in violation of contract. Specifies landowner eligibility requirements to participate in the program.

Creates the Retaining Affordable Rental Housing Program Fund and continuously appropriates money to OHCS for the program to provide loans for multifamily rental housing repair and rehabilitation.

#### ISSUES DISCUSSED:

- Preservation of affordable multifamily rental housing
- Repair and rehabilitation of units
- Contents of the measure

#### EFFECT OF AMENDMENT:

Directs Housing and Community Services Department (OHCS) to develop and implement the Retaining Affordable Rental Housing Program (program) to provide financial assistance to owners of multifamily rental housing for rehabilitation and maintenance of housing at affordable rental rate. Requires OHCS to make forgivable loans to landowners of eligible multifamily rental housing and develop application process for loans. Allows OHCS to forgive ten percent of the loan each year the landowner rents units for an affordable rental rate. Requires OHCS and landowner to enter into a contract specifying purpose of loan, execution of written instruments and payment requirements if loan is used in violation of contract. Specifies landowner eligibility requirements to participate in the program.

#### BACKGROUND:

Oregon Housing and Community Services (OHCS) Department's Multifamily Finance and Resources Section provides a number of programs for affordable housing developers to help with financial needs. These programs are low-interest affordable housing loan programs. Developers are allowed to apply for any funding source or a combination of funding sources that they are eligible for. The affordable housing loan programs actively administered by OHCS include: Pass-Through Revenue Bond Financing Program, Loan Guarantee Program, Oregon Rural Rehabilitation Loan Program and the Vertical Housing Program.

## **HB 2210 A STAFF MEASURE SUMMARY**

House Bill 2210 A directs Housing and Community Services Department (OHCS) to develop and implement the Retaining Affordable Rental Housing Program (program) to provide financial assistance to owners of multifamily rental housing for rehabilitation and maintenance of housing at affordable rental rate. OHCS is required to make forgivable loans to landowners of eligible multifamily rental housing and develop application process for loans. The measure requires OHCS and the landowner to enter into a contract specifying purpose of loan, execution of written instruments and requirements if loan is used in violation of contract. Once loans are dispersed to the landowner, OHCS is allowed to forgive ten percent of the loan each year the landowner rents units for an affordable rental rate. Landowners are eligible to participate in the program by demonstrating the multifamily rental housing property contains ten or more units and has been available for rental at a minimum of ten consecutive years.

The measure defines low-income as an income not more than eighty percent of median family income for a family of four in the county where the unit is located. Affordable rental rate is defined as an affordable rental rate for a privately owned multifamily rental housing unit as determined by OHCS accounting for the number of bedrooms within the unit.

House Bill 2210 A also creates the Retaining Affordable Rental Housing Program Fund and continuously appropriates money to OHCS for the program to provide loans for multifamily rental housing repair and rehabilitation.