

House Bill 2210

Sponsored by Representative VIAL (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs Housing and Community Services Department to develop and implement Retaining Affordable Rental Housing Program to provide grants to owners of multifamily rental housing to rehabilitate and maintain housing at affordable rental rates. Requires department to enter into agreements with housing authorities to administer and monitor program in counties in which housing authority exists or, if no such housing authority exists, that department administer program.

Establishes Retaining Affordable Rental Housing Program Fund and continuously appropriates moneys to department for purposes of program.

A BILL FOR AN ACT

1
2 Relating to affordable rental housing assistance.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) As used in this section:**

5 (a) **“Affordable rental rate” means a rental rate for privately owned multifamily rental**
6 **housing units that does not exceed 30 percent of the median family income for a family of**
7 **four residing within the county in which the housing units are located.**

8 (b) **“Housing authority” means a housing authority created under ORS 456.075. “Housing**
9 **authority” includes a person exercising delegated powers and duties under ORS 456.135, a**
10 **local government electing under ORS 456.095 to have the powers of a housing authority and**
11 **a body to which powers and authority are transferred under ORS 456.233.**

12 (2) **The Housing and Community Services Department shall develop and implement the**
13 **Retaining Affordable Rental Housing Program for the purpose of providing financial assist-**
14 **ance to owners of multifamily rental housing to rehabilitate and maintain the housing at an**
15 **affordable rental rate. The department shall enter into agreements with housing authorities**
16 **to administer and monitor the program in the counties in which a particular housing au-**
17 **thority has been created or, if there is no such housing authority, the department shall ad-**
18 **minister the program in the county for which no housing authority exists.**

19 (3) **The department shall make grants to landowners of eligible multifamily rental hous-**
20 **ing, not to exceed \$10,000, which may be used by the landowner to make capital improve-**
21 **ments, habitability improvements or environmental and energy efficiency improvements, as**
22 **defined by rules adopted by the department. The rules adopted by the department must**
23 **provide that the improvements for which the grant funds will be used must have a useful life**
24 **of at least 10 years.**

25 (4) **To be eligible for a grant under this section, a landowner must demonstrate that the**
26 **landowner’s multifamily rental housing:**

27 (a) **Contains 10 or more units;**

28 (b) **Has been available for rental for a minimum of 10 consecutive years prior to the date**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 of the application for financial assistance; and

2 (c) Was rented at an affordable rental rate for at least five of the 10 prior consecutive
3 years.

4 (5) The department shall, in collaboration with housing authorities, develop a process for
5 landowners to submit applications to the housing authority operating in the area where the
6 multifamily rental housing is located or, if no such housing authority exists, to the depart-
7 ment. For applications made within an area of operation of a housing authority, the housing
8 authority shall review the applications and make recommendations to the department to
9 approve or deny the application. For applications made to the department, the department
10 shall review the application and approve or deny the application.

11 (6)(a) Upon approval of an application for grant funds that was made to a housing au-
12 thority, the department shall distribute funds from the Retaining Affordable Rental Housing
13 Program Fund established under section 2 of this 2017 Act to the housing authority for dis-
14 tribution to the landowner. If the application for grant funds was made directly to and ap-
15 proved by the department, the department shall distribute funds to the landowner.

16 (b) Prior to distribution of funds, the housing authority or the department shall enter
17 into a contract with the landowner that sets forth, at a minimum:

18 (A) The purposes for which the grant funds may be used;

19 (B) That the landowner will execute written instruments to be recorded in the records
20 of the county where the multifamily rental housing is located that contain terms, including
21 but not limited to restrictive covenants, providing that the multifamily rental housing shall
22 be rented at an affordable rental rate for a minimum of 10 years after receipt of the grant
23 funds; and

24 (C) That the landowner must pay to the department or housing authority, as appropriate,
25 the amount of any grant funds received under this section that are used in violation of any
26 of the terms of the contract.

27 (7) The department may not award grants under this section that exceed the amount of
28 funds available in the Retaining Affordable Rental Housing Program Fund established under
29 section 2 of this 2017 Act.

30 (8) In administering the program under this section, housing authorities shall monitor
31 compliance with grant and contract requirements and report to the department at such time
32 intervals as the department establishes by rule. Notwithstanding the report required by this
33 subsection, a housing authority must report to the department regarding any noncompliance
34 with grant or contract requirements engaged in by a landlord immediately upon discovery
35 of the noncompliance.

36 (9) The department, in consultation with housing authorities, shall adopt rules to carry
37 out the provisions of this section.

38 **SECTION 2.** (1) The Retaining Affordable Rental Housing Program Fund is created within
39 the State Treasury, separate and distinct from the General Fund. Interest earned by the
40 Retaining Affordable Rental Housing Program Fund shall be credited to the fund.

41 (2) Moneys in the Retaining Affordable Rental Housing Program Fund shall consist of:

42 (a) Amounts appropriated or otherwise transferred to the fund by the Legislative As-
43 sembly;

44 (b) Amounts received from state, federal and private sources;

45 (c) Amounts donated to the fund; and

1 **(d) Other amounts deposited in the fund from any source.**

2 **(3) Moneys in the fund are continuously appropriated to the Housing and Community**
3 **Services Department for the purposes of providing grants for multifamily rental housing**
4 **assistance under section 1 of this 2017 Act.**

5 **(4) The department may use moneys in the fund to pay the administrative costs, associ-**
6 **ated with the fund and with carrying out the provisions of section 1 of this 2017 Act, incurred**
7 **by the department and housing authorities.**

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