

**HB 2095 A STAFF MEASURE SUMMARY**

Carrier: Rep. Morgan

**House Committee On Housing****Action Date:** 03/23/21**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 7-0-1-0**Yeas:** 7 - Campos, Fahey, Marsh, Meek, Morgan, Neron, Weber**Exc:** 1 - Zika**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Claire Adamsick, LPRO Analyst**Meeting Dates:** 3/11, 3/23**WHAT THE MEASURE DOES:**

Aligns timing of extension of affordability restriction for publicly supported housing with the timing of delivery of notice of intent to withdraw a property from publicly supported housing. Requires property owner of publicly supported housing to deliver notice to a local government that property is eligible for withdrawal from publicly supported housing. Allows the Housing and Community Services Department to designate a qualified purchaser of the property upon delivery of first notice or 30 months prior to the date on which a contract term would expire. Requires a property owner, upon late delivery of a notice, to extend affordability restriction on a participating property. Requires owner of publicly supported housing to deliver directly to tenant a notice in plain language that describes the expiration date of the affordability restriction, the owner's intent, safe harbor provisions and other resources available to the tenant. Requires that notice be delivered to the tenant and the department between 12 and 14 months prior to the contract expiration. Applies provisions of this Act to properties subject to an affordability restriction or contract that is set to terminate on or after 30 months after the effective date.

**ISSUES DISCUSSED:**

- Providing notice to tenants who are currently not entitled, under current statute, to be notified if housing is converted to market-rate housing
- Technical fixes from House Bill 2002 (2019), including elimination of 6-month period to deliver the second notice and creating opportunity for purchase if owner does not comply with notice requirements
- Vulnerability of low-income residents in publicly subsidized senior housing when affordability restriction expires

**EFFECT OF AMENDMENT:**

Allows the Housing and Community Services Department to designate a qualified purchaser after delivery of the notice or 30 months prior to the date on which a contract term would expire. Requires owner of publicly supported housing to deliver directly to tenant a notice in plain language that describes the expiration date of the affordability restriction, the owner's intent, safe harbor provisions and other resources available to the tenant. Requires that notice be delivered to the tenant and the department between 12 and 14 months prior to the contract expiration.

**BACKGROUND:**

Oregon law defines publicly supported housing as multifamily rental housing developments of five or more units that receive government assistance or subsidies under a contract containing an affordability restriction, which is a limit on rent charged or use of a participating property. Oregon Housing and Community Services' Publicly Supported Housing Preservation program was established with the intent of preserving homes as affordable beyond expiration of a predetermined affordability period.

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Owners of publicly supported housing are required to provide notice to Oregon Housing and Community Services and to local governments regarding the owner's intent to withdraw a property from publicly supported housing at the expiration of a contract. Qualified purchasers (the department and local governments) have the first right of refusal to purchase a property that is withdrawn from publicly supported housing.

House Bill 2095 A aligns the timing of an affordability restriction for publicly supported housing with the timing of notice delivery that owner intends to withdraw a property from publicly supported housing. It allows the Housing and Community Services Department to designate a qualified purchaser of the property upon owner's delivery of first notice, or 30 months prior to the date on which a contract term would expire if the owner does not comply with notice requirements. It requires a publicly supported housing owner to directly notify a tenant of the owner's intent to withdraw a property, and inform the tenant of safe harbor provisions or other resources available to them.