

HB 2095 A STAFF MEASURE SUMMARY
Senate Committee On Housing and Development

Carrier: Sen. Patterson

Action Date: 04/27/21
Action: Do pass the A-Eng bill.
Vote: 4-1-0-0
Yeas: 4 - Anderson, Golden, Jama, Patterson
Nays: 1 - Linthicum
Fiscal: Has minimal fiscal impact
Revenue: No revenue impact
Prepared By: Devin Edwards, LPRO Analyst
Meeting Dates: 4/22, 4/27

WHAT THE MEASURE DOES:

Aligns extension of affordability restriction on publicly supported housing that is required when a notice of intent to withdraw the property is not timely provided, with the delivery date of the untimely notice. Extends affordability restriction for at least 30 months from delivery of first notice if not on time or at least 24 months from delivery of second notice if not on time. Requires property owners of publicly supported housing to notify tenants of intent to withdraw when Oregon Housing and Community Services (OHCS) is a party to the contract and other criteria are met. Specifies content of notice, deadlines, and other formalities. Applies to properties subject to affordability restriction or contract scheduled to terminate 30 months after measure takes effect.

ISSUES DISCUSSED:

- Process for purchasing participating property
- Prices of participating properties
- Length of affordability
- Affordability restrictions
- Safe harbor periods
- Notifications for tenants

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Publicly supported housing is defined as multifamily rental housing developments of five or more units that receive government assistance or subsidies. In order to receive the assistance, the property is subject to affordability restrictions that limit the amount of rent that may be charged or restrict other uses of the property for specified periods of time pursuant to contracts and other instruments.

Oregon Housing and Community Services (OHCS) administers a Publicly Supported Housing Preservation program to preserve affordable housing when contracts expire or when properties otherwise become eligible to be withdrawn from the pool of publicly supported housing. The program requires owners of publicly supported housing to notify OHCS and the relevant local government in advance when affordability restrictions will expire, and when they intend to withdraw a property from the pool of publicly supported housing. The agency and local governments have a right of first refusal to attempt to acquire withdrawn properties that are offered for sale. Currently, if the first notice is not timely provided in advance of the expiration of affordability restrictions, the restrictions must be extended at least 24 months and the property owner must inform OHCS and the relevant local government of the extension. Property owners are not currently required to notify tenants.

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House Bill 2095 A clarifies that affordability restrictions applicable to publicly supported housing must be extended for at least 30 months from the delivery date of the first notice if it is not on time, or at least 24 months from the delivery date of the second notice if it is not on time. The measure also requires property owners of publicly supported housing to notify tenants of their intent to withdraw between 12 and 14 months prior to the delivery of the first withdrawal notice to OHCS and the relevant local government. The preceding applies to properties that are subject to affordability restrictions or contracts that are scheduled to terminate 30 months after the measure takes effect.