

A-Engrossed
House Bill 3368

Ordered by the House April 13
Including House Amendments dated April 13

Sponsored by Representative LEIF; Representatives KOTEK, PHAM

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.

Establishes shared-equity homeownership pilot program within Housing and Community Services Department. Requires department to report on program to appropriate interim committee of Legislative Assembly on or before September 15, 2022, and September 15, 2024.

Appropriates moneys for pilot program from General Fund.
Sunsets January 2, 2025.

A BILL FOR AN ACT

1
2 Relating to a shared-equity homeownership pilot program; and declaring an emergency.

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

4 **SECTION 1. Section 2 of this 2021 Act is added to and made a part of ORS chapter 458.**

5 **SECTION 2. (1) The Housing and Community Services Department shall provide grants**
6 **for shared-equity homeownership pilot projects to develop affordable tiny homes with inno-**
7 **vative ownership structures. A grant may be used to purchase and develop land, purchase**
8 **or develop tiny homes or provide support services to residents of the homes.**

9 **(2) The department shall make two grants available to religious or public-benefit**
10 **nonprofit corporations to develop affordable tiny homes for three pilot projects as follows:**

11 **(a) One grant for one project in an urban area and a second project in a rural area in**
12 **an adjacent county; and**

13 **(b) One grant for a nonprofit corporation that can demonstrate to the department proven**
14 **success with increasing homeownership among communities of color and can demonstrate**
15 **that the nonprofit corporation's pilot project will incorporate best practices and proven**
16 **strategies for increasing homeownership for communities of color.**

17 **(3) Each of the three pilot projects must require that:**

18 **(a) The pilot project consists of at least 15 dwelling units.**

19 **(b) The land on which the homes are sited will be owned by the nonprofit corporation.**

20 **(c) The homes will be subject to a long-term ground lease between the nonprofit corpo-**
21 **ration and a separate business entity for each pilot project, in which:**

22 **(A) Each member of the entity must be a tenant of a home;**

23 **(B) Each tenant of the homes must hold an equal membership share and voting rights**
24 **in the entity;**

25 **(C) Membership may be granted only to persons who, at the time of obtaining member-**
26 **ship, are in families with low or very low income, as defined in ORS 458.610; and**

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 (D) The entity agrees to limit the costs of rent and membership in the entity to an
2 amount that is affordable to persons with low or very low income.

3 (4) In awarding a grant under this section, the department may adopt preferences for
4 applications that would:

5 (a) Provide the greatest number of affordable tiny homes for the funding provided.

6 (b) Provide an innovative ownership structure.

7 (c) Provide innovative housing.

8 (d) Ensure the longest possible use of the qualified property as affordable housing units.

9 (e) Optimize duration of the affordability of the homes to the extent possible considering
10 the ownership structure.

11 (f) Reduce the cost of developing affordable housing, including through volunteer labor
12 or donated materials.

13 (g) Serve smaller households, individuals who are homeless or at risk of homelessness,
14 veterans or historically underserved communities, including communities of color.

15 (h) Ensure the quality of construction of the homes.

16 (i) Provide or make available support services to the residents of the homes necessary
17 to maintain a stable tenancy.

18 (5) As used in this section:

19 (a) "Loft" means a floor level located more than 30 inches above the main floor, open to
20 the main floor on one or more sides, with a ceiling height of less than 6 feet 8 inches and
21 used as a living or sleeping space.

22 (b) "Tiny home" means a home that, not including lofts, is not more than 400 square feet
23 floor area in size and is on a permanent foundation, with a fully self-contained kitchen or
24 kitchenette and a full bathroom.

25 SECTION 3. The Housing and Community Services Department shall report to an ap-
26 propriate interim committee of the Legislative Assembly in the manner provided in ORS
27 192.245 on the lessons learned from the shared-equity homeownership pilot projects under
28 section 2 of this 2021 Act no later than:

29 (1) September 15, 2022; and

30 (2) September 15, 2024.

31 SECTION 4. Sections 2 and 3 of this 2021 Act are repealed on January 2, 2025.

32 SECTION 5. In addition to and not in lieu of any other appropriation, there is appropri-
33 ated to the Housing and Community Services Department, for the biennium beginning July
34 1, 2021, out of the General Fund, the amount of \$10,000,000, to provide and administer grants
35 for shared-equity homeownership pilot projects under section 2 of this 2021 Act.

36 SECTION 6. This 2021 Act being necessary for the immediate preservation of the public
37 peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect
38 on its passage.

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