

SB 1557 -2 STAFF MEASURE SUMMARY

Senate Committee On Housing and Development

Prepared By: Devin Edwards, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/2, 2/7, 2/9

WHAT THE MEASURE DOES:

Directs Oregon Housing and Community Services (OHCS) to provide vouchers to landlords of tenants in low-income households remaining in units whose property owners withdraw from publicly supported housing. Requires voucher amount to be calculated every year, to be equal to difference between current rent minus rent at time housing was last considered publicly supported housing. Allows tenants to recover from landlords greater of three times monthly rent or three times damages sustained by tenants for violations of voucher program provisions. Requires OHCS, Salem Housing Authority, and Washington County to report to interim committee of Legislative Assembly before convening date of 2023 regular session. Appropriates \$900,000 in General Funds in biennium ending June 30, 2023 to OHCS. Repeals program on January 2, 2024. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Economic factors affecting decision to convert from publicly supported to market-rate rental housing
- Maximum rent increase limits
- Selection of housing complexes for pilot program
- Oregon Housing and Community Services' program administration

EFFECT OF AMENDMENT:

-2 Clarifies that Oregon Housing and Community Services will distribute funds to Salem Housing Authority and Housing Authority of Washington County for program administration. Replaces references to "Washington County" with references to "Housing Authority of Washington County."

BACKGROUND:

Multifamily rental housing with five or more units that receive certain federal or state benefits under a contract that contains an affordability restriction is considered publicly supported housing. An affordability restriction is a contractual limit on what property owners may charge for rent or a limit on what uses of a property are allowable. Some kinds of multifamily rental housing, such as those that receive certain waivers, participate in inclusionary housing programs, or receive certain types of federal rental assistance or vouchers, are not considered publicly supported housing. Property owners may choose to withdraw their units from publicly supported housing when contracts expire.

Oregon Housing and Community Services (OHCS) administers a range of programs for low-income households, defined as households with incomes of less than or equal to 80% of area median income.

Senate Bill 1557 directs OHCS to provide vouchers to landlords of tenants in low-income households remaining in units whose property owners withdraw their units from publicly supported housing. Voucher amounts will be calculated annually and will be equal the difference between a tenant's current rent minus the rent at the time their unit was last considered publicly supported housing. Landlords may not increase rents above existing rent increase limits. When landlords violate the provisions of the voucher program, tenants may recover from their landlord the greater of three times monthly rent or three times the actual damages sustained by the tenant for the violation. OHCS, Salem Housing Authority, and Washington County will report to an interim committee of the

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Legislative Assembly before the convening date of the 2023 regular session. \$900,000 in General Funds in the biennium ending June 30, 2023 will be appropriated to OHCS. The voucher program is repealed on January 2, 2024.