

## Publicly Supported Housing Contract Preservation (PuSH-CP)

### PuSH Contract Preservation (PuSH-CP) Fact Sheet

#### Regulations Summary

The PuSH Contract Preservation purpose includes: Preservation of affordability restrictions affecting publicly supported housing properties facing OHCS, HUD or USDA Rural Development contract termination through an opportunity to offer to purchase by OHCS or local government (qualified purchasers).

#### Definition of Publicly Supported Housing

“Publicly Supported Housing” means a multifamily rental housing development of five or more units that receives or benefits from government assistance. Applicable types of government assistance include:

- A contract for project-based rental assistance from the Department of Housing and Urban Development (HUD) or USDA Rural Development (RD);
- OHCS contract(s) which include an affordability restriction; and
- Local government subsidy programs as approved by OHCS to be included in the definition of publicly supported housing.

Note: OAR 813-115-0110(12) identifies exclusions to this definition.

#### Owner Notice to OHCS and Local Government (“Qualified Purchasers”)

Owners of publicly supported housing are required to provide notice(s) to qualified purchasers entitled to notice, as follows:

- **Notice of Expiring Affordability Restrictions:** Provide the owner's “intent” regarding preservation between 36 and 30 months prior to when contract(s) for the participating property will expire or terminate.
- **Notice of Withdrawing Property:** Provide updated “intent” regarding preservation between 30 and 24 months prior to when contract(s) for the participating property will expire or terminate.

#### Qualified Purchaser Opportunity to Offer to Purchase

Qualified purchasers have opportunity to submit offers to purchase starting as early as 36 months prior to expiring affordability restrictions; however, the owner is not obligated to accept any of those initial offers. The owner is required to provide access to property records/documents within 30-days upon written request.

## **Qualified Purchaser Right of First Refusal**

If there is a subsequent 3<sup>rd</sup> Party offer to purchase, qualified purchasers with right of first refusal, may submit a matching offer. The owner must accept the first matching offer received. If no matching offers are submitted, the owner may pursue the sale to the 3<sup>rd</sup> party. A Right of First Refusal may extend up to 36 months after a property has been withdrawn from publicly supported housing.

## **OHCS “Designee”**

OHCS may appoint a “designee” to act as a qualified purchaser. Potential designees may contact OHCS about project-specific preservation opportunities through new ownership. Once approved by OHCS, a designee must: (a) agree to preserve the affordability of the participating property, and (b) assume all rights and responsibilities attributable to OHCS as a prospective purchaser of the participating property.

**Successful appointment as a designee is not associated with OHCS funding opportunities or approvals.** Designees that become owners are required to enter into a minimum 20-year affordability restriction contract with OHCS, even if OHCS does not provide new funding.

## **Owner Notice to Tenants (OHCS contracts only).**

Between 24 and 20 months before expiration of OHCS restrictions, Owners must provide notice to the tenants and prospective tenants, including: of 1) Expiration date of the OHCS affordability restrictions; 2) Owner’s intent to withdraw the property from publicly supported housing upon the expiration date; 3) an explanation of current Oregon law limits on annual rent increases and the maximum allowable percent increase by the end of September each year, including the current maximum rent increase percentage allowable ; and 4) Information about tenant resources.

## **Safe Harbor (OHCS contracts only)**

“Safe harbor” means residential tenancies that existed on the termination date of a contract with OHCS, and beginning on the termination date and lasting for a period of three years, the owner or landlord of formerly publicly supported housing: (a) May not terminate the tenancy under ORS 90.727(3)(b), (4)(b) or (5); (b) May not provide a rent increase notice more than once in a calendar year; and (c) Shall comply with ORS 90.323 and with requirements adopted by OHCS and applicable to publicly supported housing managed by OHCS that govern rent increases, including requirements related to rent increase limits, required notices or approval or review by OHCS.

## **Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OAR)**

- Oregon Revised Statutes, ORS 456.250 through 456.265; and 456.559(1)(b)
- Oregon Administrative Rules (OAR), Chapter 813, Division 115

**For more information about PuSH-CP, please contact [arh.hcs@hcs.oregon.gov](mailto:arh.hcs@hcs.oregon.gov).**