

SB 973 STAFF MEASURE SUMMARY

Carrier: Rep. Andersen

House Committee On Housing and Homelessness

Action Date: 04/30/25

Action: Do Pass.

Vote: 12-0-0-0

Yeas: 12 - Andersen, Breese-Iverson, Dobson, Edwards, Fragala, Gamba, Helfrich, Javadi, Levy E, Mannix, Marsh, Sosa

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

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Meeting Dates: 4/23, 4/30

WHAT THE MEASURE DOES:

The measure requires the Oregon Housing and Community Services Department to prescribe multilingual notice forms and requires landlords to provide extended notice of impending affordability-restriction terminations.

Detailed Summary:

- Requires a landlord, before charging a screening charge or entering into a rental agreement for a unit subject to an affordability restriction, to give the applicant a written notice—on a form prescribed by the Oregon Housing and Community Services (OHCS) Department—stating the earliest date the affordability restriction could be terminated.
- Requires OHCS to define in rule the form of each notice by December 1, 2025.
- Requires notice to include information in each of the five most commonly spoken languages in Oregon (other than English) on how to view a translation of the notice.
- Requires OHCS to publish the form and translations of the forms of each notice on its website by December 1, 2025.
- Requires notice be delivered no more than 36 months (instead of 24 months) and at least 30 months (instead of 20 months) before the termination date.
- Requires that for each tenant to whom the landlord fails to give notice, the landlord must extend the affordability restriction until at least 30 months after the notice to the tenant was delivered, and the landlord cannot withdraw the participating property from affordability restrictions until 30 months following the delivery of notice to all tenants.
- Applies to all properties ending their affordability restrictions on or after July 1, 2028.
- Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Workgroup on impacts of expiring affordability restrictions
- Applications for extensions of affordability restrictions and tenant notice timelines
- Waiting times for available affordable housing
- Conversion of properties with expiring affordability restrictions for homeownership

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

An “affordability restriction” under ORS 456.250 is a contractual limit on the rent a property owner may charge—or on how the unit may be used—at a participating property to keep it affordable for qualifying low-income tenants. That restriction ends when its term expires as specified in the contract, or if the property is withdrawn from publicly supported housing—such as through eminent domain, foreclosure, or a deed-in-lieu of

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foreclosure—which automatically extinguishes the restriction.

In Oregon, an owner of publicly supported housing must give two tiers of advance warning before affordability restrictions end. First, the owner must notify the Housing and Community Services Department (OHCS) and each local government where the property sits—initially no earlier than 36 months and no later than 30 months before the contract or subsidy will lapse, and again between 30 and 24 months out. The notice must be in the OHCS-prescribed form and tell officials whether the owner plans to withdraw, convert, or is negotiating an extension. If either notice is late, the affordability period is automatically pushed out so that it ends no sooner than 30 months after the late first notice or 24 months after the late second notice, whichever date is later.

Separately, current residents must receive a plain-language notice—by first-class mail and posting—no more than 24 months and at least 20 months before the termination date, and any prospective tenant who applies during that 20-month window must be handed the same notice before a screening fee can be charged or a lease signed. The notice must state the exact termination date, explain any “safe-harbor” protections, and list tenant resources. Failure to deliver the tenant or applicant notice on time extends the affordability restriction until at least 20 months after all required notices are finally sent, and the owner must inform OHCS and every tenant of the new date.