A-Engrossed

Senate Bill 50

Ordered by the Senate April 7
Including Senate Amendments dated April 7

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Housing and Development)

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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act lets OHCS use LIFT moneys for Metro counties to buy apartments for low-cost housing. (Flesch Readability Score: 68.9).
[*Digest: The Act tells OHCS to study housing. (Flesch Readability Score: 90.9).*]
[*Requires the Housing and Community Services Department to study housing and to report to the interim committees of the Legislative Assembly related to housing by September 15, 2026.*]
Allows the Housing and Community Services Department to use certain moneys in the Local Innovation and Fast Track Housing Program Fund set aside to purchase multifamily housing to convert to affordable housing. Sunsets June 30, 2027.
Updates sources of the fund.
Declares an emergency, effective July 1, 2025.

1   **A BILL FOR AN ACT**

2   Relating to housing; creating new provisions; amending ORS 458.485 and 458.490; and declaring an

3   emergency.

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

5   **SECTION 1. Up to $60 million of the moneys in the Local Innovation and Fast Track**

6   **Housing Program Fund established under ORS 458.490 and set aside for use within**

7   **Clackamas, Multnomah or Washington County may be used within those counties to acquire**

8   **existing multifamily housing for conversion to affordable rental housing for low income**

9   **households as described in ORS 458.485.**

10   **SECTION 2. Section 1 of this 2025 Act is repealed on June 30, 2027.**

11   **SECTION 3.** ORS 458.490 is amended to read:

12   458.490. (1) The Local Innovation and Fast Track Housing Program Fund is established in the

13   State Treasury, separate and distinct from the General Fund. Interest earned on moneys in the Local

14   Innovation and Fast Track Housing Program Fund shall be credited to the fund.

15   (2) The fund consists of [*moneys deposited into the fund pursuant to section 1 (6), chapter 685,*

16   *Oregon Laws 2015.*]**:**

17   **(a) Proceeds from general obligation bonds authorized for issuance by the Oregon De-**

18   **partment of Administrative Services under Article XI-Q of the Oregon Constitution and de-**

19   **posited into the fund;**

20   **(b) Moneys appropriated, allocated, deposited or transferred to the fund by the Legisla-**

21   **tive Assembly; and**

22   **(c) Moneys deposited into the fund under ORS 458.485 (7).**

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 (3) Moneys in the fund are continuously appropriated to the Housing and Community Services
2 Department for:

3 (a) The purposes described in ORS 458.485;

4 (b) Payment of the costs incurred by the department to administer the fund; and

5 (c) Payment of bond-related costs, as defined in ORS 286A.816.

6 **SECTION 4.** ORS 458.485 is amended to read:

7 458.485. (1) The Housing and Community Services Department shall, after consultation with the
8 Oregon Housing Stability Council, develop and implement the Local Innovation and Fast Track
9 Housing Program for the purpose of expanding the state's supply of affordable housing for low in-
10 come households.

11 (2) The department may use funds available pursuant to Article XI-Q of the Oregon Constitution
12 and deposited in the Local Innovation and Fast Track Housing Program Fund established under ORS
13 458.490 to:

14 (a) Acquire, construct, remodel, repair, equip or furnish qualified property that is or will be
15 owned or operated by the State of Oregon for the purpose of providing affordable housing in this
16 state for low income households; and

17 (b) Pay development costs to develop qualified property that may be considered part of the cost
18 of a capital asset under generally accepted accounting principles.

19 (3) Interests in real property acquired by the State of Oregon or the department under this
20 section are limited to the following:

21 (a) A fee simple interest in land or improvements;

22 (b) A leased fee interest, meaning an ownership interest with the rights of use and occupancy
23 conveyed by lease to others;

24 (c) A tenancy in common for which the state's or department's interest in the property is
25 proportionate to the contribution of the state or department to the property's purchase price;

26 (d) A fee simple interest in a condominium; or

27 (e) An easement, right of way, license or similar interest functionally related to and necessary
28 for the use of qualified property acquired by the state or department.

29 (4) In funding the acquisition, construction, remodeling, repairing, equipping or furnishing of
30 qualified property under the program, the department may:

31 (a) Adopt criteria that:

32 (A) Provide the greatest number of affordable housing units for the amount of funding provided;

33 (B) Ensure the longest possible use of the qualified property as affordable housing units;

34 (C) Optimize the function and duration of the affordable housing project; and

35 (D) Take into account the means to reduce the cost of the affordable housing project while
36 considering factors such as the quality of construction, durability, location and local design re-
37 quirements;

38 (b) Create restrictive covenants and other encumbrances or lien interests, create entities, co-
39 operate or participate with persons or entities and contract with persons and entities; and

40 (c) Operate qualified property.

41 (5) Moneys made available through the program must be distributed or used statewide and
42 concentrated in areas of this state with the greatest need for affordable housing, as determined by
43 the department with the advice and consent of the council.

44 (6) For purposes of implementing the program, the council shall develop strategies to:

45 (a) Reach historically underserved communities, including communities of color and rural com-

1 munities;

2 (b) Reduce the cost of acquiring, constructing, remodeling, repairing, equipping or furnishing

3 qualified property that is owned or operated by the state for the purpose of providing affordable

4 housing; and

5 (c) Involve Department of Human Services child welfare and self-sufficiency programs.

6 **(7) The Housing and Community Services Department shall deposit into the Local Inno-**

7 **vation and Fast Track Housing Program Fund established under ORS 458.490:**

8 **(a) Any moneys received as a repayment of, as a return on or in exchange for the loan**

9 **of moneys provided under this section; and**

10 **(b) Any moneys recovered or obtained in a foreclosure or other legal proceeding involving**

11 **the loan of moneys under this section.**

12 [*(7)*] **(8)** The Director of the Housing and Community Services Department shall report regularly

13 to the council regarding the status and progress of the program and of the [*Housing and Community*

14 *Services*] department's responsibilities for implementing and administering the program.

15 [*(8)*] **(9)** The department shall adopt rules to implement the provisions of this section, including

16 but not limited to prescribing requirements for acquiring, constructing, remodeling, repairing,

17 equipping or furnishing qualified property that is owned or operated by the state for the purpose

18 of providing affordable housing under the program.

19 <u>SECTION 5.</u> **This 2025 Act being necessary for the immediate preservation of the public**

20 **peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect**

21 **July 1, 2025.**

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