

A-Engrossed
House Bill 2210

Ordered by the House April 14
Including House Amendments dated April 14

Sponsored by Representative VIAL (Presession filed.)

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.

Directs Housing and Community Services Department to develop and implement Retaining Affordable Rental Housing Program to provide [*grants*] **financial assistance** to owners of multifamily rental housing to rehabilitate and maintain housing at affordable rental rates. [*Requires department to enter into agreements with housing authorities to administer and monitor program in counties in which housing authority exists or, if no such housing authority exists, that department administer program.*]

Directs department to make forgivable loans to landowners of eligible multifamily rental housing, not to exceed \$10,000, to be used for specified improvements. Authorizes department to forgive 10 percent of loan for each year landowner rents units for affordable rental rate. Specifies eligibility requirements.

Establishes Retaining Affordable Rental Housing Program Fund and continuously appropriates moneys to department for purposes of program.

A BILL FOR AN ACT

1
2 Relating to affordable rental housing assistance.

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

4 **SECTION 1. (1) As used in this section:**

5 (a) **"Affordable rental rate"** means a rental rate for privately owned multifamily rental
6 housing units that may be rented, with or without government assistance, on a basis that
7 is affordable to individuals of low income as determined by the Housing and Community
8 Services Department, taking into account the number of the bedrooms in the housing unit.

9 (b) **"Low income"** means income that is not more than 80 percent of the median family
10 income for a family of four residing within the county in which a housing unit is located, as
11 determined by the Housing and Community Services Department based on information from
12 the United States Department of Housing and Urban Development.

13 (2) **The Housing and Community Services Department shall develop and implement the**
14 **Retaining Affordable Rental Housing Program for the purpose of providing financial assist-**
15 **ance to owners of multifamily rental housing to rehabilitate and maintain the housing at an**
16 **affordable rental rate.**

17 (3) **The department shall make forgivable loans to landowners of eligible multifamily**
18 **rental housing, not to exceed \$10,000, which may be used by the landowner to make capital**
19 **improvements, habitability improvements or environmental and energy efficiency improve-**
20 **ments, as defined by rules adopted by the department. The department may forgive 10 per-**
21 **cent of the loan for each year that the landowner rents units for an affordable rental rate.**
22 **The rules adopted by the department must provide that the improvements for which the loan**

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 funds will be used must have a useful life of at least 10 years.

2 (4) To be eligible for a loan under this section, a landowner must demonstrate that the
3 landowner's multifamily rental housing:

4 (a) Contains 10 or more units; and

5 (b) Has been available for rental for a minimum of 10 consecutive years prior to the date
6 of the application for financial assistance.

7 (5) The department shall develop a process for landowners to submit applications for
8 loans under this section. The department shall review the application and approve or deny
9 the application.

10 (6)(a) Upon approval of an application for a loan, the department shall distribute funds
11 from the Retaining Affordable Rental Housing Program Fund established under section 2 of
12 this 2017 Act to the landowner.

13 (b) Prior to distribution of funds, the department shall enter into a contract with the
14 landowner that sets forth, at a minimum:

15 (A) The purposes for which the loan funds may be used;

16 (B) That the landowner will execute written instruments to be recorded in the records
17 of the county where the multifamily rental housing is located that contain terms, including
18 but not limited to restrictive covenants, providing that the multifamily rental housing shall
19 be rented at an affordable rental rate for a minimum of 10 years after receipt of the loan
20 funds; and

21 (C) That the landowner must pay to the department the amount of any loan received
22 under this section that is used in violation of any of the terms of the contract.

23 (7) The department may not award loans under this section that exceed the amount of
24 funds available in the Retaining Affordable Rental Housing Program Fund established under
25 section 2 of this 2017 Act.

26 (8) In administering the program under this section, the department shall monitor com-
27 pliance with contract requirements.

28 (9) The department shall adopt rules to carry out the provisions of this section.

29 **SECTION 2.** (1) The Retaining Affordable Rental Housing Program Fund is created within
30 the State Treasury, separate and distinct from the General Fund. Interest earned by the
31 Retaining Affordable Rental Housing Program Fund shall be credited to the fund.

32 (2) Moneys in the Retaining Affordable Rental Housing Program Fund shall consist of:

33 (a) Amounts appropriated or otherwise transferred to the fund by the Legislative As-
34 sembly;

35 (b) Amounts received from state, federal and private sources;

36 (c) Amounts donated to the fund; and

37 (d) Other amounts deposited in the fund from any source.

38 (3) Moneys in the fund are continuously appropriated to the Housing and Community
39 Services Department for the purposes of providing loans for multifamily rental housing as-
40 sistance under section 1 of this 2017 Act.

41 (4) The department may use moneys in the fund to pay the administrative costs, associ-
42 ated with the fund and with carrying out the provisions of section 1 of this 2017 Act, incurred
43 by the department.

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