

STAFF MEASURE SUMMARY

Senate Committee On Human Services and Early Childhood

Fiscal: No Fiscal Impact

Revenue: No Revenue Impact

Action Date: 05/12/15

Action: Do Pass The A-Eng Bill.

Meeting Dates: 05/12

Vote:

Yeas: 5 - Dembrow, Gelser, Kruse, Monnes Anderson, Olsen

Prepared By: Cheyenne Ross, Committee Administrator

WHAT THE MEASURE DOES:

Directs owner of rental property subject to federal rural rental housing loan to notify tenants, local housing authorities, and Oregon Housing and Community Services, of loan maturity at least one year in advance. Requires notice to tenants entering rental agreements within year of loan maturity. Specifies notice requirements. Prohibits rent increase for one year for failure to comply.

ISSUES DISCUSSED:

- Provisions of measure

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

In Oregon there are approximately 200 buildings, built with financing from the United States Department of Agriculture's (USDA) Rural Development or Farm Services Agency loans. These buildings provide approximately 6,300 rental units in rural areas. In exchange for subsidies through USDA Rural Development programs, property owners must comply with terms that maintain affordability for tenants. These conditions end when the mortgage is paid off and many units are thereafter priced at or near market rates. Landlords are not required to provide notice to tenants of the possible increase in rent that results when a loan matures.

House Bill 2629-A requires owners of rental properties who have received Rural Development loans or Farm Service Agency loans to notify tenants and housing entities of the loan's maturity date at least a year in advance.