

HB 2912 STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

Action Date: 03/30/17

Action: Do pass and be referred to Ways and Means by prior reference

Vote: 9-0-0-0

Yeas: 9 - Gorsek, Keny-Guyer, Meek, Nearman, Noble, Olson, Piluso, Sanchez, Stark

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Prepared By: Cassandra Soucy, LPRO Analyst

WHAT THE MEASURE DOES:

Establishes the Affordable Housing Land Acquisition Revolving Loan Fund Program within Oregon Housing and Community Services Department (OHCS) to make loans to eligible organization to purchase land for development of affordable housing and facilities providing supportive services to low income households. Directs forty percent of loans be allocated to eligible organizations operating home ownership programs for low income households and sixty percent of loans be allocated to other eligible organizations. Specifies loan requirements for development of affordable housing units and repayment for noncompliance. Requires OHCS or program administrator to collect data and develop performance measures for the program including financial efficiency. Establishes the Affordable Housing Land Acquisition Revolving Fund in State Treasury and continuously appropriates moneys in fund to OHCS.

ISSUES DISCUSSED:

- Access to affordable housing in rural communities
- Barriers to building affordable housing
- Difficulties obtaining financing for available buildable land
- Costs associated with land acquisition

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Housing and Community Services (OHSC) reports (2016) that for housing to be considered affordable, a household should pay no more than one third of income towards rent. One in two Oregon households pays more than one third of their income towards rent and one in four pays more than half of their income towards rent. OHCS surveyed developers and providers of affordable housing in 2016 to determine what barriers existed to improving affordable housing in Oregon. Rising costs of land and land use obstacles were identified as contributing barriers to affordable housing development and provision.

House Bill 2912 establishes the Affordable Housing Land Acquisition Revolving Loan Fund Program (Program) within OHCS. The purpose of the program is to make loans to eligible organizations purchasing land for development of affordable housing and facilities providing supportive services to low income households. The program directs forty percent of loans be allocated to eligible organizations operating home ownership programs for low income households and sixty percent of loans be allocated to other eligible organizations. The measure specifies loan requirements for development of affordable housing units including the number of affordable housing units and estimated timeline for completion of the development within five years of receiving the loan. Repayment for noncompliance is required within eight years if the loan recipient fails to use the property for the intended affordable housing purpose. OHCS or the Program administrator are required to collect data and develop performance measures for the Program including financial efficiency and present findings to the Legislative Assembly.

This Summary has not been adopted or officially endorsed by action of the committee.

HB 2912 STAFF MEASURE SUMMARY

House Bill 2912 also establishes the Affordable Housing Land Acquisition Revolving Fund (Fund) and continuously appropriates moneys in the Fund to OHCS. The Fund would consist of moneys transferred into it by OHCS, the federal government, state agencies, local governments, the Legislative Assembly, earnings on moneys in the Fund and other sources.