

Senate Bill 512

Sponsored by Senator BENTZ (at the request of Judge Pete Runnels) (Pre-session 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 **as introduced**.

Defines "rural communities" and "frontier communities" for purposes of Local Innovation and Fast Track Housing Program. Requires minimum of 10 percent of moneys available in program to be spent for rural communities and minimum of 10 percent for frontier communities.

A BILL FOR AN ACT

1
2 Relating to Local Innovation and Fast Track Housing Program; amending ORS 458.480 and 458.485.

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

4 **SECTION 1.** ORS 458.480 is amended to read:

5 458.480. As used in ORS 458.480 to 458.490:

6 (1) "Affordable housing" means residential housing that may be purchased or rented, with or
7 without government assistance, by persons who meet the applicable income limits of local, state or
8 federally funded programs or developments.

9 (2) "Area median income" means the median income for the county in which the subject housing
10 is located, adjusted for family size, as determined by the Housing and Community Services Depart-
11 ment using United States Department of Housing and Urban Development information.

12 (3) "Development costs" has the meaning given that term in ORS 456.548.

13 (4) **"Frontier communities" means communities within counties with populations of less**
14 **than 10,000.**

15 [(4)] (5) "Low income households" means:

16 (a) For affordable housing that may be rented, households of one or more individuals whose
17 combined incomes are at or below 60 percent of the area median income; or

18 (b) For affordable housing that may be purchased, households of one or more individuals whose
19 combined incomes are at or below 80 percent of the area median income.

20 [(5)] (6) "Operate" means to have sufficient direct or indirect control of qualified property that
21 reasonably enables the Housing and Community Services Department, in its determination, to ensure
22 the qualified property's use for the purpose of providing affordable housing under the Local Inno-
23 vation and Fast Track Housing Program established in ORS 458.485.

24 [(6)] (7) "Own" means to possess one or more interests as described in ORS 458.485 (3) in a
25 qualified property that reasonably enables the Housing and Community Services Department, in its
26 determination, to ensure the qualified property's use for the purpose of providing affordable housing
27 under the Local Innovation and Fast Track Housing Program established in ORS 458.485.

28 [(7)] (8) "Qualified property" means real or personal property, including infrastructure and
29 indebtedness related to the real or personal property.

30 (9) **"Rural communities" means communities within counties with populations of 10,000**
31 **or more and less than 40,000.**

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.

SECTION 2. ORS 458.485 is amended to read:

458.485. (1) The Housing and Community Services Department shall, with the advice and consent of the Oregon Housing Stability Council, develop and implement the Local Innovation and Fast Track Housing Program for the purpose of expanding the state’s supply of affordable housing for low income households.

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

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

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

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

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

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

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

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

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

(4) In funding the acquisition, construction, remodeling, repairing, equipping or furnishing of qualified property under the program, the department, with the advice and consent of the council, may:

(a) Adopt criteria that:

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

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

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

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

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

(c) Operate qualified property.

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

(a) No less than 10 percent may be used for rural communities; and

(b) No less than 10 percent may be used for frontier communities.

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

(a) Reach historically underserved communities, including communities of color and rural **and frontier** communities;

1 (b) Reduce the cost of acquiring, constructing, remodeling, repairing, equipping or furnishing
2 qualified property that is owned or operated by the state for the purpose of providing affordable
3 housing; and

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

5 (7) The Director of the Housing and Community Services Department shall report regularly to
6 the council regarding the status and progress of the program and of the Housing and Community
7 Services Department's responsibilities for implementing and administering the program.

8 (8) The department, with the advice and consent of the council, shall adopt rules to implement
9 the provisions of this section, including but not limited to prescribing requirements for acquiring,
10 constructing, remodeling, repairing, equipping or furnishing qualified property that is owned or op-
11 erated by the state for the purpose of providing affordable housing under the program.

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