

House Bill 3368

Sponsored by Representative LEIF

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**.

Establishes shared-equity homeownership pilot program within Housing and Community Services Department. Requires department to report on program to appropriate interim committee of Legislative Assembly on or before September 15, 2022, and September 15, 2024.

Appropriates moneys for pilot program from General Fund.
Sunsets January 2, 2025.

A BILL FOR AN ACT

1
2 Relating to a shared-equity homeownership pilot program; and declaring an emergency.

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

4 **SECTION 1. Section 2 of this 2021 Act is added to and made a part of ORS chapter 458.**

5 **SECTION 2. (1) The Housing and Community Services Department shall provide a grant**
6 **for a shared-equity homeownership pilot program to develop affordable housing with inno-**
7 **vative ownership structures.**

8 **(2) The department shall make the grant available to a religious or public-benefit**
9 **nonprofit corporation to develop affordable housing for two pilot projects, one in an urban**
10 **area and one in a rural area in an adjacent county. The grant may be used to purchase and**
11 **develop land, purchase or develop housing or provide support services to residents of the**
12 **housing.**

13 **(3) Each of the two pilot projects must require that:**

14 **(a) The pilot project consists of at least 15 dwelling units.**

15 **(b) The land on which the housing is sited will be owned by the nonprofit corporation.**

16 **(c) The housing units will be subject to a long-term ground lease between the nonprofit**
17 **corporation and a separate business entity for each pilot project, in which:**

18 **(A) Each member of the entity must be a tenant of the housing;**

19 **(B) Each tenant of the housing must hold an equal membership share and voting rights**
20 **in the entity;**

21 **(C) Membership may only be granted to persons who, at the time of obtaining member-**
22 **ship, are in families with low or very low income, as defined in ORS 458.610; and**

23 **(D) The entity agrees to limit the costs of rent and membership in the entity to an**
24 **amount that is affordable to persons with low or very low income.**

25 **(4) In awarding a grant under this section, the department may adopt preferences for**
26 **applications that would:**

27 **(a) Provide the greatest number of affordable housing units for the funding provided,**
28 **without consideration of the square footage of the units.**

29 **(b) Provide an innovative ownership structure.**

30 **(c) Provide innovative housing, including tiny home villages or cottage clusters.**

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 (d) Ensure the longest possible use of the qualified property as affordable housing units.

2 (e) Optimize duration of the affordability of the housing to the extent possible considering
3 the ownership structure.

4 (f) Reduce the cost of developing affordable housing, including through volunteer labor
5 or donated materials.

6 (g) Serve smaller households, individuals who are homeless or at risk of homelessness,
7 veterans or historically underserved communities, including communities of color.

8 (h) Ensure the quality of construction of the housing.

9 (i) Provide or make available support services to the residents of the housing necessary
10 to maintain a stable tenancy.

11 **SECTION 3.** The Housing and Community Services Department shall report to an ap-
12 propriate interim committee of the Legislative Assembly in the manner provided in ORS
13 192.245 on the lessons learned from the shared-equity homeownership pilot program under
14 section 2 of this 2021 Act no later than:

15 (1) September 15, 2022; and

16 (2) September 15, 2024.

17 **SECTION 4.** Sections 2 and 3 of this 2021 Act are repealed on January 2, 2025.

18 **SECTION 5.** In addition to and not in lieu of any other appropriation, there is appropri-
19 ated to the Housing and Community Services Department, for the biennium beginning July
20 1, 2021, out of the General Fund, the amount of \$5,000,000, to provide a grant for a shared-
21 equity homeownership pilot program under section 2 of this 2021 Act.

22 **SECTION 6.** This 2021 Act being necessary for the immediate preservation of the public
23 peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect
24 on its passage.