

HB 3503 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/3, 3/10

WHAT THE MEASURE DOES:

The measure directs the Housing and Community Services Department to fund a program that helps a nonprofit acquire, repair, and maintain affordable housing in Clackamas County as a community land trust. The housing will be reserved for first-time, low-income homebuyers and will include long-term affordability restrictions. The measure also provides \$4.2 million for the program.

Detailed Summary:

- Directs the Housing and Community Services Department (OHCS) to disburse funds to Community LendingWorks to provide grants to public benefit corporations to acquire affordable housing owned by the Housing Authority of Clackamas County; repair and renovate the housing for energy efficiency and to make the housing eligible for refinancing; operate the housing as a community land trust, which must include maintaining each housing unit as affordable housing for purchase; and provide home buyer education and counseling to purchasers and prospective purchasers of the housing.
- Requires housing units to be available only to first-time home buyers and subject to an affordability restriction that has the effect of limiting the purchaser's ability to gain equity from the appreciation of the dwelling's value; and requires that the purchaser be a low income household.
- Appropriates \$4,200,000 to OHCS for the 2025-2027 biennium to administer the grant program.
- Takes effect on 91st day following adjournment sine die.

Fiscal impact: Fiscal impact issued

Revenue impact: No revenue impact

ISSUES DISCUSSED:

- Pilot project in Clackamas County to sell homes to first-time home buyers
- Converting an existing home into a permanently affordable land trust
- Equities of families purchasing homes under the program
- Deed restrictions on homes and ground lease
- Housing authorities engagement in scattered sites

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Community LendingWorks (CLW) is a nonprofit Community Development Financial Institution (CDFI) based in Oregon since 2011. Their mission is to provide access to capital, credit, and asset-building financial products. Community Development Financial Institutions (CDFIs) are specialized financial institutions that provide credit, capital, and financial services to underserved communities that may not have access to traditional banking. These institutions play a crucial role in economic development, financial inclusion, and reducing wealth disparities by supporting small businesses, affordable housing projects, and community development efforts. CDFIs receive funding from the U.S. Treasury's CDFI Fund, banks (as part of the Community Reinvestment Act requirements),

foundations, and private investors.

PRELIMINARY