

SB 973 STAFF MEASURE SUMMARY

Senate Committee On Housing and Development

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Meeting Dates: 3/3, 3/24

WHAT THE MEASURE DOES:

The measure requires landlords of publicly-supported housing to give written notice of ending affordability restrictions to all applicants and new tenants, and extends the minimum notice that must be provided to existing tenants from 20 months to 30 months. The measure directs the Housing and Community Services Department to adopt rules for the provision of, and the translation of, acceptable notice.

Detailed summary:

Requires landlords of publicly-supported affordable housing, prior to charging a screening fee or entering into a rental agreement to a new rental application, to give written notice of ending affordability restrictions and the earliest date that these restrictions could be terminated, if the unit is expiring no longer than 36 months, and no sooner than 30 months. Requires that, on or before December 1, 2025, the Housing and Community Services Department (the Department) make rules to define acceptable provision of notice, publish to their website the acceptable form of each notice, and publish the form into the five most commonly spoken languages in Oregon (other than English). Specifies that acceptable notice must include, in addition to the requirements set out in Oregon Revised Statute (ORS) 456.259, information in each of the five most commonly spoken languages in Oregon (other than English) on how to view a translation of the notice on the Department's website written in each of those languages.

Requires notice of ending affordability restrictions be delivered to existing and prospective tenants not more than 36 months in advance of lapsing affordability restrictions, and not less than 30 months. Requires that for each tenant to whom the owner fails to give notice, the owner must extend the affordability-restriction until at least 30 months after the notice to the tenant was delivered, and the property owner cannot withdraw the participating property from affordability restrictions until 30 months following the delivery of notice to all tenants.

Applies to all properties ending their affordability restrictions on or after July 1, 2028.

Takes effect on 91st day follow adjournment sine die.

Fiscal impact: Has minimal fiscal impact

Revenue impact: No revenue impact.

ISSUES DISCUSSED:

- Lack of availability of affordable housing to meet the demand
- Necessity of clear information about development affordability status for tenants' planning
- Wide-ranging social and economic benefits of housing stability
- Long waitlists for affordable housing developments and housing assistance vouchers necessitate early knowledge of need
- Advantage to local housing assistance organizations in planning a response to the ending of affordability restrictions

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The scarcity of housing in Oregon, driven by underproduction since the financial crisis of 2008 and high population growth (nearly 11% between 2010 and 2020), has led to very little naturally-occurring (which refers to market-rate; without subsidy) affordable housing remaining in Oregon. The mismatch of supply of housing and demand for it has increased the gap between average renter-income and housing costs, such that between [2020 and 2022](#), an additional \$2 of income went towards rent for every additional \$1 wage increase. About one affordable unit now exists for every 4.2 low- and extremely-low-income families in the state. Housing with affordability restrictions provide units to low-income tenants at below-market-rate rents, and include income limits, rent limits based on income, and affordability periods under which they are guaranteed to maintain these restrictions. These restrictions might expire for a variety of reasons: a unit or development previously maintained by an affordable-housing provider may be sold, to transferred to market rate. A development build with Low Income Housing Tax Credit (LIHTC) funds may reach its maturity in which they can transition to market-rate after a mandated-period of affordability. [Oregon Housing and Community Services report](#) that 9,582 units will expire in Oregon in the next ten years, and 56,413 have affordability restrictions that are not permanent, and will expire in the future.