

HB 3503 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

Action Date: 03/10/25

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

Vote: 9-1-2-0

Yeas: 9 - Andersen, Dobson, Fragala, Gamba, Helfrich, Levy E, Mannix, Marsh, Sosa

Nays: 1 - Javadi

Exc: 2 - Breese-Iverson, Edwards

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 3/3, 3/10

WHAT THE MEASURE DOES:

The measure directs the Housing and Community Services Department to provide funding to Community LendingWorks to fund grants that help nonprofits acquire, repair, and maintain affordable housing in Clackamas County. 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.
- 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.

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 home
- Home equity of families purchasing homes under the program
- Deed restrictions on homes and ground lease
- Housing authority engagement in scattered sites

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Community LendingWorks (CLW) is a nonprofit Community Development Financial Institution (CDFI) based in Oregon and founded in 2011. Their mission is to provide access to capital, credit, and asset-building financial products.

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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.

Shared equity programs allow income-eligible families to purchase homes at below-market rates with the program keeping a share of the home's equity, so the home remains affordable to other low-to-moderate income homebuyers. Because these programs reduce the purchase price and total mortgage loan amount, monthly payments may be more affordable to low-to-moderate homebuyers. Shared equity programs include deed restrictions, community land trust models, or limited equity cooperatives.