

B-Engrossed Senate Bill 51

Ordered by the Senate June 23
Including Senate Amendments dated April 9 and June 23

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Housing and Development)

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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act makes OHCS fund property management for low income homes and create a program to preserve low income homes. (Flesch Readability Score: 63.8).

Requires the Housing and Community Services Department to distribute funds to the Housing Development Center, Inc. to support affordable housing property management. Sunsets June 30, 2027.

[Requires the department to implement a program advancing culturally responsive property management services.]

Requires the department to establish a program to coordinate responses to, and to report on, preservation of affordable housing, including manufactured dwelling parks and marinas.

Declares an emergency, effective July 1, 2025.

A BILL FOR AN ACT

Relating to housing; creating new provisions; amending ORS 456.559; and declaring an emergency.

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

SECTION 1. The Housing and Community Services Department shall contract with the Housing Development Center, Inc., for the purposes of:

(1) Improving occupancy rates, expediting move-ins, preventing evictions, reducing residential turnover and enhancing the well-being of residents in affordable housing projects by:

(a) Developing and delivering resources for training and capacity-building to improve property management operations and practices at affordable housing projects; and

(b) Making grants to nonprofit corporations, federally recognized Indian tribes in this state, local governments and housing authorities, in order to support property management staffing and operations at specific affordable housing projects that the recipient owns or operates or where the recipient provides property management services. The geographic distribution of grants made under this paragraph must be approximately in proportion to the geographic distribution of affordable housing properties.

(2) Providing asset management training to nonprofit corporations, federally recognized Indian tribes in this state, local governments and housing authorities that own or operate affordable housing projects.

SECTION 2. Section 1 of this 2025 Act is repealed on June 30, 2027.

NOTE: Sections 3 and 4 were deleted by amendment. Subsequent sections were not renumbered.

SECTION 5. In addition to and not in lieu of any other appropriation, there is appropriated to the Housing and Community Services Department, for the biennium beginning July 1, 2025, out of the General Fund, the following amounts:

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) \$2,000,000 to contract for services under section 1 (1) of this 2025 Act.

(2) \$1,300,000 to contract for services under section 1 (2) of this 2025 Act.

SECTION 6. Section 8 of this 2025 Act and ORS 456.250 are added to and made a part of ORS 456.255 to 456.267.

SECTION 7. ORS 456.255 to 456.267 are added to and made a part of ORS 456.548 to 456.725.

SECTION 8. The Housing and Community Services Department shall establish and maintain an affordable housing preservation program to coordinate affordable housing preservation efforts and incentivize the analysis and preservation of affordable housing, including publicly supported housing and manufactured dwelling parks. Under the program, the department shall:

(1) Collect and maintain data from local, state and federal sources on affordable housing in this state, including the status of existing affordability restrictions and rental assistance contracts at publicly supported housing.

(2) Identify categories of affordable housing at risk of loss, including:

(a) Properties with expiring federal rent assistance contracts;

(b) Properties with expiring affordability restrictions;

(c) Properties with affordability restrictions in physical or financial distress; and

(d) Manufactured dwelling parks at risk of sale or closure.

(3) Take actions to promote housing stability, for residents of:

(a) Affordable housing that is at risk of loss or that has been recently lost; or

(b) Residents of manufactured dwelling parks or marinas at risk of sale or closure.

(4) Establish and periodically update evaluation criteria for affordable housing preservation investments.

(5) Identify and aggregate available sources of funding, including moneys available from federal and private grants or programs, appropriations by the Legislative Assembly, existing funds of the department or financing available from Article XI-Q bond proceeds under ORS 286A.824 or 458.480 to 458.490 or proceeds of other bonds issued by the State Treasurer, and use such sources of funding to implement preservation investments for affordable housing in accordance with the established evaluation criteria.

(6) Regularly analyze operating expenses of the existing portfolio of publicly supported housing that is funded by the department to inform the department's underwriting standards for financing the construction of new and the preservation of existing publicly supported housing and to inform forecasts of preservation funding needs.

(7) Regularly update and publish an affordable housing preservation strategy framework report that includes information identified in subsections (1) and (2) of this section and forecasts the financial need to preserve affordable housing.

(8) Execute the duties of the department under ORS 456.255 to 456.267.

SECTION 9. ORS 456.559 is amended to read:

456.559. (1) The Housing and Community Services Department shall:

(a) Maintain current housing data and information concerning available programs, status of funding, programs planned or undertaken which might conflict with, overlap, duplicate or supersede other planned or existing programs and call these to the attention of appropriate state agencies, governmental bodies and public or private housing sponsors.

(b) Maintain current data [from local, state and federal sources concerning publicly supported

1 *housing as that term is defined in ORS 456.250, the status of existing affordability restrictions as that*
 2 *term is defined in ORS 456.250 and rental assistance contracts at publicly supported housing]* **on**
 3 **publicly supported housing as provided under section 8 of this 2025 Act.**

4 (c) Provide to appropriate state agencies, governmental bodies and public or private housing
 5 sponsors such advisory and educational services as will assist them in the development of housing
 6 plans and projects.

7 (d) Subject to the approval of the Oregon Housing Stability Council, make noninterest bearing
 8 advances, in accordance with ORS 456.710 and the policies of the department, to qualified nonprofit
 9 sponsors for development costs of housing projects until mortgage funds are released to repay the
 10 advances as provided in ORS 456.710.

11 (e) Advise and assist appropriate state agencies, governmental bodies and public or private
 12 housing sponsors, cities and counties, in all programs and activities which are designed or might
 13 tend to fulfill the purposes of ORS 456.548 to 456.725 and ORS chapter 458.

14 (f) Encourage and assist in the planning, development, construction, rehabilitation and conser-
 15 vation of dwelling units for persons and families of lower income.

16 (g) Be the central state department to apply for, receive and distribute, on behalf of appropriate
 17 state agencies, governmental bodies and public or private housing sponsors in the state, grants, gifts,
 18 contributions, loans, credits or assistance from the federal government or any other source for
 19 housing programs except when the donor, grantor, or lender of such funds specifically directs some
 20 other agency to administer them. Moneys received under this section shall be deposited with the
 21 State Treasurer in an account separate and distinct from the General Fund. Interest earned by the
 22 account shall be credited to the account.

23 (h) For the purposes of acquiring moneys, credits or other assistance from any agency or
 24 instrumentality of the United States or from any public corporation chartered by the United States,
 25 comply with any applicable agreements or restrictions for the receipt of such assistance and become
 26 a member of any such association or public corporation chartered by the United States.

27 (i) Assist individuals, appropriate state agencies, governmental bodies and public or private
 28 housing sponsors through a program which provides housing information, planning, educational
 29 services and technical assistance.

30 (j) Comply with the requirements of ORS 443.225 in assisting in the development of any housing
 31 for residential care, training or treatment for persons with intellectual or developmental disabilities
 32 or mental or emotional disturbances.

33 (2) Except as otherwise provided in ORS 456.255 to 456.267, 456.625 (7), 458.315 (3) and 458.480
 34 to 458.490, the department may not itself develop, construct, rehabilitate or conserve housing units;
 35 and neither the department nor any housing sponsor, including but not limited to any association,
 36 corporation, cooperative housing authority or urban renewal agency organized to provide housing
 37 and other facilities under ORS 456.548 to 456.725, may own, acquire, construct, purchase, lease, op-
 38 erate or maintain utility facilities, including facilities for the generation of electricity, for the dis-
 39 tribution of gas and electricity, and for the conveyance of telephone and telegraph messages.

40 (3) In accordance with the provisions of this section and with the advice of the council, the
 41 department shall establish statewide priorities for housing programs. State agencies shall coordinate
 42 their housing programs with the department. All state agencies intending to apply for federal funds
 43 for use in planning, developing or managing housing, or rendering assistance to governmental bodies
 44 or sponsors or individuals involved therein shall submit a description of the proposed activity to the
 45 department for review not less than 30 days prior to the intended date of submission of the appli-

1 cation to the federal agency. The department shall determine whether the proposal would result in
2 a program that would overlap, duplicate or conflict with any other housing program in the state. If
3 the department finds overlapping or duplication or conflict, it shall recommend modifications in the
4 application. The Oregon Department of Administrative Services shall consider these recommen-
5 dations in making its decision to approve or disapprove the application. The department shall com-
6 plete its review and forward its recommendations within 15 working days after receipt of the
7 notification. Failure of the department to complete the review within that time shall constitute ap-
8 proval of the application by the department.

9 (4) The Director of the Housing and Community Services Department may participate in dis-
10 cussions and deliberations of the council. The director may suggest policies to the council, including
11 those necessary to stimulate and increase the supply of housing for persons and families of lower
12 income.

13 **SECTION 10. This 2025 Act being necessary for the immediate preservation of the public**
14 **peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect**
15 **July 1, 2025.**
16
