

Requested by Senator PHAM K

**PROPOSED AMENDMENTS TO
SENATE BILL 684**

1 On page 1 of the printed bill, line 2, after “amending” delete the rest of
2 the line and delete line 3 and insert “ORS 307.092, 456.055, 456.120, 456.153,
3 456.548 and 456.625.”

4 Delete lines 5 through 29 and delete page 2 and insert:

5 **“SECTION 1. Sections 2 to 4 of this 2025 Act are added to and made**
6 **a part of ORS 456.548 to 456.725.**

7 **“SECTION 2. (1) The Housing and Community Services Department**
8 **shall develop and implement a program to provide below-market,**
9 **short-term loans for the construction of mixed income housing.**

10 **“(2) The department shall adopt rules for loans provided under this**
11 **section that establish:**

12 **“(a) The method by which interest rates and terms are set.**

13 **“(b) Eligibility criteria.**

14 **“(c) The proportion of housing units that must be affordable to**
15 **tenants whose income is no greater than 80 percent of the area median**
16 **income.**

17 **“(d) The means by which a project that receives a loan described in**
18 **this section may ensure affordability under paragraph (c) of this sub-**
19 **section for a term of at least 90 years, which may include ownership**
20 **or an ownership interest by a housing authority.**

21 **“(3) Any repayments of a loan made under this section must be**

1 deposited into the Mixed Income Public Development Loan Fund under
2 section 3 of this 2025 Act.

3 **“SECTION 3. (1) The Mixed Income Public Development Loan Fund**
4 **is established in the State Treasury, separate and distinct from the**
5 **General Fund. Interest earned by the Mixed Income Public Develop-**
6 **ment Loan Fund is credited to the fund.**

7 **(2) The fund consists of moneys received under section 2 (3) of this**
8 **2025 Act and moneys appropriated, allocated, deposited or transferred**
9 **to the fund by the Legislative Assembly or otherwise.**

10 **(3) Moneys in the fund are continuously appropriated to the Hous-**
11 **ing and Community Services Department to implement section 2 of**
12 **this 2025 Act.**

13 **“SECTION 4. (1) On or before January 1, 2027, the Housing and**
14 **Community Services Department shall, by rule, develop and imple-**
15 **ment lending strategies that can be used to provide permanent long-**
16 **term financing for newly acquired or constructed affordable and mixed**
17 **income rental housing.**

18 **“(2) On or before September 15, 2026, the Housing and Community**
19 **Services Department shall provide a report to the interim committee**
20 **of the Legislative Assembly related to housing in the manner provided**
21 **in ORS 192.245 on the progress of the rulemaking and recommen-**
22 **dations for funding the mixed income housing program.**

23 **“SECTION 5. ORS 456.548 is amended to read:**

24 **“456.548. As used in ORS 456.548 to 456.725, unless the context requires**
25 **otherwise:**

26 **“(1) ‘Bonds’ means any bonds, as defined in ORS 286A.001, or any other**
27 **evidence of indebtedness, issued under ORS 456.515 to 456.725 or issued in**
28 **anticipation of bonds and payable from the proceeds of bonds issued.**

29 **“(2) ‘Capital reserve account’ or ‘capital reserve accounts’ means one or**
30 **more of the special trust accounts that may be established by the Housing**

1 and Community Services Department within the Housing Finance Fund.

2 “(3) ‘Consumer housing cooperative’ means a cooperative corporation
3 formed under ORS chapter 62 and whose articles of incorporation provide,
4 in addition to the other requirements of ORS chapter 62, that:

5 “(a) The consumer housing cooperative has been organized exclusively to
6 provide housing facilities for persons and families of lower income and such
7 social, recreational, commercial and communal facilities as may be incidental
8 to such housing facilities.

9 “(b) All income and earnings of the consumer housing cooperative shall
10 be used exclusively for consumer housing cooperative purposes and that no
11 unreasonable part of the net income or net earnings of the cooperative shall
12 inure to the benefit or profit of any private individual, firm, corporation,
13 partnership or association.

14 “(c) The consumer housing cooperative is in no manner controlled or un-
15 der the direction of or acting in the substantial interest of any private in-
16 dividual, firm, corporation, partnership or association seeking to derive
17 profit or gain therefrom or seeking to eliminate or minimize losses in any
18 transaction therewith, except that such limitation shall apply to the members
19 of the cooperative only to the extent provided by rules of the department.

20 “(d) The operations of the consumer housing cooperative may be super-
21 vised by the department and that the consumer housing cooperative shall
22 enter into such agreements with the department as the department may re-
23 quire to provide regulation by the department of the planning, development
24 and management of any housing project undertaken by the cooperative and
25 the disposition of the property and other interests of the cooperative.

26 “(4) ‘Development costs’ means the costs that have been approved by the
27 department as appropriate expenditures and includes, but is not limited to:

28 “(a) Payments for options to purchase property for the proposed housing
29 project site, deposits on contracts of purchase, payments for the purchase of
30 property as approved by the department, legal, organizational and marketing

1 expenses including payment of attorney fees, managerial and clerical staff
2 salaries, office rent and other incidental expenses, payment of fees for pre-
3 liminary feasibility studies, advances for planning, engineering and archi-
4 tectural work;

5 “(b) Expenses for surveys as to need and market analyses; and

6 “(c) Such other expenses incurred by the qualified housing sponsor as the
7 department may deem necessary under ORS 456.548 to 456.725.

8 “(5) ‘Housing development’ means a development that contains housing
9 units for persons or families of lower income and such other incidental ele-
10 ments of residential, commercial, recreational, industrial, communal or edu-
11 cational facilities as the department determines improve the quality of the
12 development as it relates to housing for persons or families of lower income
13 and the financial feasibility of the development.

14 “(6) ‘Housing finance bond declaration’ means a written instrument signed
15 by the Director of the Housing and Community Services Department or the
16 designee of the director and on file with and bearing the certificate of ap-
17 proval of the State Treasurer or the designee of the State Treasurer, and all
18 housing finance bond declarations supplemental to that instrument.

19 “(7) ‘Housing Finance Fund’ means the Housing Finance Fund established
20 in ORS 456.720 (1).

21 “(8) ‘Lending institution’ means any bank, mortgage banking company,
22 trust company, savings bank, credit union, national banking association,
23 federal savings and loan association or federal credit unit maintaining an
24 office in this state, or any insurance company authorized to do business in
25 this state.

26 “(9) ‘Limited dividend housing sponsor’ means a corporation, trust, part-
27 nership, association or other entity, or an individual that is a mortgagor.

28 “(10) ‘Manufactured dwelling park nonprofit cooperative’ has the meaning
29 given that term in ORS 62.803.

30 “(11) ‘Manufactured housing’ means a dwelling unit manufactured off-site

1 having a minimum width of 10 feet and a minimum area of 400 square feet
2 built on a permanent chassis and designed to be used for permanent resi-
3 dential occupancy whether or not on a permanent foundation, and that con-
4 tains permanent eating, cooking, sleeping and sanitary facilities and meets
5 such standards as the department determines, by rule, are reasonable to
6 maintain the quality, safety and durability of the dwelling, the sanitary re-
7 quirements of the communities in which they are located and the security
8 of the loans that the department may finance for the purchase of the
9 dwellings.

10 **“(12) ‘Mixed income housing’ means multifamily housing in which**
11 **all of the units are subject to an affordable housing covenant, as de-**
12 **scribed in ORS 456.270 to 456.295, for a term of no less than 30 years**
13 **during which at least some of the units are made affordable to low-**
14 **income households and all other units made affordable to moderate**
15 **income households.**

16 “[~~(12)~~] (13) ‘Nonprofit housing corporation’ means an organization formed
17 under ORS chapter 65 and whose articles of incorporation provide, in addi-
18 tion to the other requirements of ORS chapter 65, that:

19 “(a) The corporation has been organized exclusively to provide housing
20 facilities for persons and families of lower income and such other social,
21 recreational, commercial and communal facilities as may be incidental to
22 such housing facilities.

23 “(b) All the income and earnings of the corporation shall be used exclu-
24 sively for corporation purposes and that no part of the net income or net
25 earnings of the corporation may inure to the benefit of any private individ-
26 ual, firm, corporation, partnership or association.

27 “(c) The corporation is in no manner controlled or under the direction
28 or acting in the substantial interest of any private individual, firm, part-
29 nership or association seeking to derive profit or gain therefrom or seeking
30 to eliminate or minimize losses in transactions therewith.

1 “(d) The operations of the corporation may be supervised by the depart-
2 ment and that the corporation shall enter into such agreements with the
3 department as the department may require to regulate the planning, devel-
4 opment and management of any housing project undertaken by the corpo-
5 ration and the disposition of the property and other interests of the
6 corporation.

7 “[~~(13)~~] **(14)** ‘Person of lower income’ or ‘family of lower income’ means:

8 “(a) A person or family residing in this state whose income is not more
9 than 80 percent of area median income, adjusted for family size, as deter-
10 mined by the Housing and Community Services Department based on infor-
11 mation from the United States Department of Housing and Urban
12 Development;

13 “(b) A person or family residing in this state whose income, adjusted for
14 family size, is below the level the Housing and Community Services Depart-
15 ment has determined to be necessary in order to obtain in the open market
16 decent, safe and sanitary housing, including the cost of utilities and taxes,
17 for not more than 25 percent of the gross income of the person or family; or

18 “(c) Any person or family the department determines is appropriate to
19 treat as a person of lower income or a family of lower income incidental to
20 the accomplishment of department programs for persons and families of lower
21 income described in paragraphs (a) and (b) of this subsection.

22 “[~~(14)~~] **(15)** ‘Project cost’ or ‘costs of the project’ means the sum of all
23 reasonable expenses incurred by a qualified housing sponsor in undertaking
24 and completing a housing project approved by the department. ‘Project
25 costs’ or ‘costs of the project’ include but are not limited to the expenses
26 incurred by a qualified housing sponsor for:

27 “(a) Studies and surveys;

28 “(b) Plans, specifications, architectural and engineering services;

29 “(c) Legal, organizational and other special services;

30 “(d) Financing, acquisition, demolition, construction, equipment and site

1 development of new and rehabilitated housing units;

2 “(e) Movement of existing buildings to new sites; the cost of acquisition,
3 or estimated fair market value, of land and other interests in real estate;

4 “(f) Rehabilitation, reconstruction, repair or remodeling of existing
5 buildings;

6 “(g) Estimated carrying charges during construction and for a reasonable
7 period thereafter;

8 “(h) Placement of tenants or occupants and relocation services in con-
9 nection with the housing project;

10 “(i) Reasonable builder’s or sponsor’s profit and risk allowance; and

11 “(j) Development costs not otherwise included in this subsection.

12 “[15] **(16)** ‘Qualified housing sponsor’ means the following entities if
13 approved by the department under ORS 456.620 (2):

14 “(a) A consumer housing cooperative;

15 “(b) A limited dividend housing sponsor;

16 “(c) A nonprofit housing corporation;

17 “(d) A for-profit housing sponsor;

18 “(e) A housing authority;

19 “(f) An urban renewal agency created by ORS 457.035; and

20 “(g) Any city or county governing body or agency or department desig-
21 nated by the governing body.

22 “[16)(a)] **(17)(a)** ‘Residential housing’ means a specific work or improve-
23 ment within this state undertaken primarily to provide dwelling accommo-
24 dations, including land development and acquisition, construction or
25 rehabilitation of buildings and improvements thereto, for residential housing,
26 and such other nonhousing facilities as may be incidental or appurtenant
27 thereto and as the department determines improve the quality of the devel-
28 opment as it relates to housing for persons or families of lower income and
29 the financial feasibility of the development.

30 “(b) ‘Residential housing’ includes, but is not limited to, a specific work

1 or improvement within this state undertaken to provide mobile home or
2 manufactured dwelling parks as defined in ORS 446.003.

3 “(c) As used in this subsection, ‘land development’ includes, but is not
4 limited to, the improvement of streets and alleys and the construction of
5 surface drains, sewers, curbing and sidewalks.

6 “[~~(17)~~] (18) ‘Residential loan’ means any of the following:

7 “(a) A loan that is for the acquisition, construction, improvement or re-
8 habilitation of residential housing **or mixed income housing** and, if the
9 loan is for acquisition or construction of [*residential*] housing, that is se-
10 cured by a first lien on real property located in the state and:

11 “(A) Improved by a newly constructed, existing or rehabilitated residen-
12 tial structure for persons or families of lower income; or

13 “(B) Unimproved if the proceeds of such loan shall be used for the
14 erection of a residential structure thereon, whether or not such loan is in-
15 sured or guaranteed by the United States or any instrumentality or agency
16 thereof.

17 “(b) An insured or guaranteed loan for the acquisition of manufactured
18 housing or for the acquisition of a lot described in ORS 92.840 by a manu-
19 factured dwelling park tenant.

20 “(c) A loan for the purchase of a proprietary lease and related cooperative
21 shares in a housing cooperative formed under ORS chapter 62 secured by a
22 security interest of first priority and a pledge or an assignment of proprie-
23 tary leases and related cooperative shares.

24 “(d) A loan, secured by such lien as may be approved by the department,
25 made for the acquisition of a residential structure and made solely to provide
26 down payment or closing cost assistance to allow low and moderate income
27 households to qualify for a first position purchase loan on the structure.

28 “**SECTION 6.** ORS 456.625 is amended to read:

29 “456.625. The Housing and Community Services Department may:

30 “(1) Undertake and carry out studies and analyses of housing needs

1 within the state and ways of meeting such needs and make the results of
2 such studies and analyses available to the public, qualified housing sponsors
3 and the private housing sector.

4 “(2) Prepare proposals on measures it considers necessary to address ad-
5 ministration, housing programs or community services programs.

6 “(3) With the approval of the Oregon Housing Stability Council, assess
7 fees, charges or interest in connection with housing programs.

8 “(4) Encourage community organizations to assist in initiating housing
9 projects for persons and families of lower income.

10 “(5) Encourage the salvage of usable housing scheduled for demolition or
11 dislocation because of highway, school, urban renewal or other public
12 projects by seeking authority for the public agencies involved in such pro-
13 grams to use the funds provided for the demolition or relocation of such
14 buildings to enable qualified housing sponsors to relocate and rehabilitate
15 such buildings for use by persons and families of lower income.

16 “(6) Encourage research and demonstration projects to develop techniques
17 and methods for increasing the supply of adequate, decent, safe and sanitary
18 housing for persons and families of lower income.

19 “(7)(a) Make or participate in the making of residential loans to qualified
20 individuals or housing sponsors to provide for the acquisition, construction,
21 improvement, rehabilitation or permanent financing of residential housing,
22 [or] housing development **or mixed income housing**;

23 “(b) Undertake commitments to make residential loans;

24 “(c) Purchase and sell residential loans at public or private sale;

25 “(d) Modify or alter [*such*] mortgages or loans;

26 “(e) Foreclose on any such **residential loan**, mortgage or security inter-
27 est or commence any action to protect or enforce any right conferred upon
28 the department by any law, mortgage, security, agreement, contract or other
29 agreement and to bid for and purchase property that is subject to such
30 mortgage or security interest at any foreclosure or other sale;

1 “(f) Acquire or take possession of [*any such*] a **foreclosed** property and
2 complete, administer, conserve, improve and otherwise use the property to
3 accomplish the department’s purposes[,] **and**

4 “(g) Pay the principal and interest on any obligations incurred in con-
5 nection with [*such*] a **foreclosed** property and dispose of [*such property in*
6 *such manner*] **the property** as the department determines necessary to pro-
7 tect its interests under ORS 456.515 to 456.725 and ORS chapter 458.

8 “(8) Unless specifically exempted by the State Treasurer, deposit with the
9 State Treasurer any funds held in reserve or sinking funds under ORS 456.515
10 to 456.725 and ORS chapter 458 and any other moneys not required for im-
11 mediate use or disbursement by the department, subject to the provisions of
12 any agreement with holders of bonds entered into prior to October 15, 1983.

13 “(9) Advise and assist in the creation of any nonprofit housing corpo-
14 ration, consumer housing cooperative or limited dividend housing sponsor
15 and give approval of the articles of incorporation and bylaws of any such
16 organization in carrying out ORS 456.515 to 456.725.

17 “(10) Cooperate with and exchange services, personnel and information
18 with any federal, state or local governmental agency.

19 “(11) With the approval of the State Treasurer, contract for the services
20 of and consultation with trustees, investment and financial advisors, paying
21 agents, remarketing agents and other professional persons or organizations
22 in carrying out ORS 456.515 to 456.725 and ORS chapter 458.

23 “(12) Contract for, act on or perform any other duties that the department
24 considers necessary or appropriate to carry out housing programs and com-
25 munity services programs, including but not limited to contracting to provide
26 compliance monitoring or other administrative functions with respect to
27 housing developments and affordable housing, whether or not the housing
28 developments or affordable housing receives department funding and whether
29 or not the housing developments or affordable housing is located within this
30 state. For purposes of this subsection, ‘affordable housing’ has the meaning

1 given that term in ORS 456.055.

2 “(13) Purchase, service, sell and make commitments to purchase, service
3 and sell residential loans to the extent permitted by ORS 456.635 and 456.640
4 (1) to (3).

5 “(14) Initiate or assist appropriate state agencies, governmental bodies
6 and public or private housing sponsors in the development, construction,
7 acquisition, ownership, leasing, rehabilitation or management of housing to
8 carry out the purposes of ORS 456.515 to 456.725 and ORS chapter 458 where
9 such housing is not otherwise affordable or available in the area.

10 “(15) Execute and record written instruments that contain terms, includ-
11 ing but not limited to restrictive covenants or equitable servitudes, pertain-
12 ing to the use and enjoyment of housing projects. Notwithstanding any other
13 provision of law, the executed instruments shall constitute and create re-
14 strictive covenants affecting and running with the property according to the
15 terms of the instruments when recorded in the records of the county where
16 the property is located. County clerks shall accept the instruments for re-
17 cording when presented by or on behalf of the department.

18 “(16) Subject to the provisions of any agreement then existing with
19 bondholders, make available funds by contract, grant, loan or otherwise, in-
20 cluding loan guarantees, insurance or other financial leveraging techniques,
21 from moneys made available by the department to carry out the purposes of
22 ORS 456.515 to 456.725, if such moneys are not needed for the operations of
23 the department or otherwise determined by the Director of the Housing and
24 Community Services Department to be a necessary or prudent reserve.

25 “(17) Notwithstanding ORS 456.561, award grants to private or public en-
26 tities to support or develop programs and services that build on successful
27 or innovative strategies to prevent and end homelessness, and may adopt
28 rules for implementing such programs and services, including the following:

29 “(a) Tenant education services for low-income tenants, including Rent
30 Guarantee Program training under ORS 456.608 (3);

1 “(b) Fair housing training and outreach for tenants and landlords;

2 “(c) Technological innovations and investments that help low-income in-
3 dividuals find and access available rental housing and services;

4 “(d) Acquisition, construction, renovation and operation of emergency
5 shelters and transitional housing, outreach and attendant services, as well
6 as supportive housing services designed to sustain housing, including those
7 that support the diverse needs of those experiencing homelessness;

8 “(e) Homelessness system improvements such as capacity building re-
9 sources, planning resources, implementation and operation of advisory
10 groups, technical assistance resources and investments to improve and obtain
11 qualitative and quantitative data about housing and homelessness, including
12 through direct engagement with people with lived experience of homelessness
13 or housing instability;

14 “(f) Services designed to prevent evictions and homelessness, including
15 long term and emergency rental assistance, legal services for those facing
16 eviction, eviction prevention mediation services and case management;

17 “(g) Individualized and culturally responsive interventions designed to
18 provide support to specific populations of people experiencing homelessness
19 or housing instability;

20 “(h) Delivery of programs and services designed to reduce poverty, in-
21 cluding those programs and services that are in alignment with federal re-
22 sources such as the Community Services Block Grant; and

23 “(i) Other education, services or resources for low-income tenants and
24 prospective tenants and for landlords who serve low-income tenants, includ-
25 ing landlord incentive programs to encourage greater access to units for
26 low-income tenants.

27 “(18) Procure and supervise the procurement of goods, services and per-
28 sonal services that are acquired in connection with the exercise of the
29 department’s duties prescribed in this chapter and ORS chapter 458.

30 “(19) For goods, services and personal services that are unrelated to the

1 duties prescribed in this chapter and ORS chapter 458, subject to any rule
2 that may be adopted by the department for the administration of such pro-
3 curements:

4 “(a) Procure and supervise the procurement of information technology
5 products and systems and related goods, services and personal services; and

6 “(b) Conduct sole-source procurements as provided under ORS 279B.075,
7 and special procurements as provided under ORS 279B.085, except that the
8 Director of the Housing and Community Services Department may take any
9 action that the Director of the Oregon Department of Administrative Ser-
10 vices is authorized to take under ORS 279B.075 and 279B.085.

11 **“SECTION 7.** ORS 456.055 is amended to read:

12 “456.055. As used in the Housing Authorities Law, unless the context re-
13 quires otherwise:

14 “(1) ‘Affordable housing’ means dwelling units that may be purchased or
15 rented, with or without government assistance, by persons of eligible income.

16 “(2) ‘Blighted area’ means any area where housing, by reason of neglect
17 and dilapidation, is detrimental to the safety or health of the occupants or
18 of the neighborhood in which the housing is located.

19 “(3) ‘Bonds’ means any bonds, notes, interim certificates, debentures or
20 other obligations issued by an authority pursuant to the Housing Authorities
21 Law. The giving of a note secured by a mortgage or trust deed will not
22 constitute a bond.

23 “(4) ‘The City’ means the particular city included within a particular
24 housing authority.

25 “(5) ‘Clerk’ means the recorder of the city or the clerk of the county, as
26 the case may be, or the officer of the city or the county, respectively, charged
27 with the duties customarily imposed on such clerk.

28 “(6) ‘County’ means any county in the state. ‘The county’ means a par-
29 ticular county or counties for which a particular housing authority is cre-
30 ated.

1 “(7) ‘Governing body’ means, in the case of a city, the common council
2 or other legislative body thereof, and, in the case of a county, the county
3 court, commission or other legislative body thereof.

4 “(8) ‘Housing’ means housing of all kinds, including but not limited to
5 single-family dwellings, multifamily dwellings, emergency shelters, dwelling
6 accommodations, living accommodations, manufactured dwelling parks, resi-
7 dential units, housing projects or other dwellings.

8 “(9) ‘Housing unit’ or ‘unit’ means a single-family dwelling, a single
9 apartment or other single dwelling.

10 “(10) ‘Mixed income housing’ means a housing project that houses tenants
11 with a mixture of income levels, including those not of lower income, for the
12 [purpose of] **purposes of:**

13 “(a) Reducing the rents for tenants whose incomes are no greater than
14 [60] **80** percent of the area median income[.]; **and**

15 “(b) **Meeting the housing needs of tenants.**

16 “(11) ‘Obligee of the authority’ or ‘obligee’ includes any bondholder or
17 trustee for any bondholder, or lessor demising to the authority property used
18 in connection with a housing project, or any assignee of such lessor’s inter-
19 est or any part thereof, and the federal government when it is a party to any
20 contract with the authority.

21 “(12) ‘Persons of eligible income’ means individuals or families who meet
22 the applicable income limits of local, state or federally funded programs or
23 developments.

24 “(13) ‘Private market’ means those rental housing units owned and oper-
25 ated by nongovernment entities and without government subsidies.

26 “(14) ‘Person of lower income’ or ‘family of lower income’ means a person
27 or a family, residing in this state, whose income is not greater than 80 per-
28 cent of the area median income, adjusted for family size, as determined by
29 the Housing and Community Services Department using United States De-
30 partment of Housing and Urban Development information.

1 “(15) ‘Real property’ includes all lands, including improvements and fix-
2 tures thereon, and property of any nature appurtenant thereto, or used in
3 connection therewith, and every estate, interest and right, legal or equitable,
4 therein, including terms for years and liens by way of judgment, mortgage
5 or otherwise and the indebtedness secured by such liens.

6 **“SECTION 8.** ORS 456.120 is amended to read:

7 “456.120. A housing authority shall constitute a public body corporate and
8 politic, exercising public and essential governmental functions, and having
9 all the powers necessary or convenient to carry out and effectuate the pur-
10 poses of the Housing Authorities Law. These powers shall be vested in the
11 commissioners of the authority and shall include the following in addition
12 to others granted in the Housing Authorities Law:

13 “(1) To sue and be sued.

14 “(2) To have a seal and to alter the same at pleasure.

15 “(3) To have perpetual succession.

16 “(4) To make and execute contracts and other instruments necessary or
17 convenient to the exercise of the powers of the authority.

18 “(5) To make and from time to time amend and repeal bylaws, rules and
19 regulations, not inconsistent with the Housing Authorities Law, to carry
20 into effect the powers and purposes of the authority.

21 “(6) To arrange or contract for the furnishing by any person or agency,
22 public or private, of services, privileges, works or facilities for, or in con-
23 nection with, a housing project or the occupants thereof.

24 “(7) Notwithstanding any laws to the contrary, to include in any contract
25 let in connection with a project, stipulations requiring that the contractor
26 and any subcontractors comply with requirements as to minimum wages and
27 maximum hours of labor, and comply with any conditions which the federal
28 government attaches to its financial aid of the project.

29 “(8) To lease or rent any housing, lands, buildings, structures or facilities
30 embraced in any housing project and, subject to the limitations of the

1 Housing Authorities Law, to establish and revise the rents or charges
2 therefor.

3 “(9) To own, hold and improve real or personal property.

4 “(10) To purchase, buy on contract, exchange, lease, lease back, obtain
5 options upon, acquire by gift, grant, bequest, devise or otherwise any real
6 or personal property or any interest therein and to give its mortgage or trust
7 deed covering any real property or security agreement covering any personal
8 property or any interest in either.

9 “(11) To sell, mortgage, lease, rent, exchange, transfer, assign, pledge or
10 otherwise dispose of any real or personal property or any interest therein.

11 “(12) To insure or provide for the insurance of any real or personal
12 property or operations of the authority against any risks or hazards.

13 “(13) To procure insurance or guarantees from the federal government of
14 the payment of any debts or parts thereof, whether or not incurred by said
15 authority, secured by mortgages on any property included in any of its
16 housing projects.

17 “(14) To invest any funds held in reserves or sinking funds, or any funds
18 not required for immediate disbursement, in property or any investment in
19 which an Oregon city may legally invest surplus funds, and, in addition, to
20 invest bond proceeds and amounts held in bond payment, reserve and pro-
21 ceeds accounts in investment agreements that:

22 “(a) Produce a guaranteed rate of return;

23 “(b) Are fully collateralized by direct obligations of, or obligations guar-
24 anteed by, the United States; and

25 “(c) Require that the collateral be held by the authority, an agent of the
26 authority or a third-party safekeeping agent.

27 “(15) To purchase its bonds at a price not more than the principal amount
28 thereof and accrued interest, all bonds so purchased to be canceled.

29 “(16) To exercise all or any part or combination of powers granted in the
30 Housing Authorities Law.

1 “(17) To borrow money pursuant to ORS 456.055 to 456.235 or as otherwise
2 allowed and accept advances, loans or grants or any other form of financial
3 assistance or any combination of these forms of assistance from the federal
4 government, state, county or other public body, or from any sources, public
5 or private, for the purpose of undertaking and carrying out housing projects.

6 “(18) To enter in a partnership agreement with or loan money to an in-
7 dividual, partnership, corporation or other association to finance, plan,
8 undertake, construct, acquire, manage or operate a housing project.

9 “(19) To finance, develop, own, operate or manage a mixed income housing
10 project. *[that meets the following requirements:]*

11 “[*(a) No fewer than 20 percent of the units in the project so financed shall*
12 *be rented to households with incomes of 50 percent or less of area median in-*
13 *come;*]

14 “[*(b) No fewer than 40 percent of the units in the project so financed shall*
15 *be rented to households with incomes of 60 percent or less of area median in-*
16 *come; or]*

17 “[*(c) The minimum requirements imposed by any federal tax law that is*
18 *applicable to the project.]*

19 “(20) To form, finance and have a nonstock interest in, and to manage or
20 operate, partnerships, nonprofit corporations and limited liability companies
21 in order to further the purposes of the housing authority.

22 “**SECTION 9.** ORS 456.153 is amended to read:

23 “456.153. A housing authority may finance, develop, own, manage or op-
24 erate [a] mixed income housing [*project if:*]

25 “[*(1) The housing authority*] **if the authority** determines that a substan-
26 tial number of persons of eligible income in the area served by the authority
27 cannot obtain housing for 30 percent or less of their income.

28 “[*(2) Based on the determination under subsection (1) of this section, the*
29 *housing authority adopts a resolution declaring the need for additional hous-*
30 *ing for persons or families of lower income that can be addressed by the au-*

1 *thority financing, developing, owning, managing or operating a mixed income*
2 *housing project.]*

3 **“SECTION 10.** ORS 307.092 is amended to read:

4 “307.092. (1) As used in this section, ‘property of a housing authority’ in-
5 cludes, but is not limited to:

6 “(a) Property that is held under lease or lease purchase agreement by the
7 housing authority; and

8 “(b) Property of a partnership, nonprofit corporation or limited liability
9 company for which the housing authority is a general partner, limited part-
10 ner, director, member, manager or general manager, if the property is:

11 “(A) Leased or rented to persons of lower income for housing
12 purposes[.]; **or**

13 **“(B) Mixed income housing, as defined in ORS 456.055.**

14 “(2)(a) The property of a housing authority is declared to be public prop-
15 erty used for essential public and governmental purposes and, upon compli-
16 ance with ORS 307.162, the property and the housing authority are exempt
17 from all taxes and special assessments of the city, the county, the state or
18 any political subdivision of the city, county or state.

19 “(b) In lieu of taxes or special assessments, the authority may agree to
20 make payments to the city, county or political subdivision for improvements,
21 services and facilities furnished by the city, county or political subdivision
22 for the benefit of a housing project, but in no event may the payments exceed
23 the estimated cost to the city, county or political subdivision of the im-
24 provements, services or facilities furnished.

25 “(3) Notwithstanding subsection (2) of this section, property of a housing
26 authority that is commercial property leased to a taxable entity is not ex-
27 empt from taxation and special assessments under this section.

28 **“SECTION 11.** ORS 456.620 is amended to read:

29 “456.620. In carrying out housing programs, the Housing and Community
30 Services Department shall:

1 “(1) With the approval of the Oregon Housing Stability Council, adopt
2 standards for the planning, development and management of housing projects
3 for which qualified housing sponsors receive all or a portion of any required
4 financing under ORS 456.548 to 456.725, for audits and inspections to deter-
5 mine compliance with such standards and adopt criteria for the approval of
6 qualified housing sponsors under ORS 456.548 to 456.725.

7 “(2) Adopt criteria by which the department may approve or disqualify
8 qualified housing sponsors.

9 “(3) Enter into agreements with qualified housing sponsors to regulate the
10 planning, development and management of housing projects constructed with
11 the assistance of the department under ORS 456.548 to 456.725.

12 “(4) With the approval of the council, establish maximum household in-
13 come limits for all or a portion of the units in housing projects, including
14 housing developments or other residential housing, financed in whole or in
15 part by the department. The department may finance only the portion of
16 housing projects consisting of units rented to households with an income
17 below 120 percent of the area median income, as defined in ORS 458.610. The
18 department shall, by rule, adopt a methodology for allocating the affordable
19 housing portion of a housing project’s shared costs, including infrastructure
20 and parking. For a housing project financed by the department, the council
21 may establish a minimum ratio or number of units that will be rented to
22 households with an income below 120 percent of the area median income. If
23 the income level in any unit exceeds 120 percent of the area median income,
24 the department shall, to the extent practicable, require that the project, de-
25 velopment or other housing financed by the department have a percentage
26 of low income units that is higher than the minimum percentages established
27 [*in ORS 456.120 (19) for projects financed by local housing authorities or in-*
28 *come limitations that are lower than the limits described in ORS 456.120 (19)*
29 *or a combination thereof*] **by rule**. Income limits for department programs
30 administered on a statewide basis may be established by reference to the area

1 median income. This subsection does not restrict the acquisition of manu-
2 factured dwelling parks.

3 “(5) With the approval of the council, ensure that financing is provided
4 in the department’s programs for manufactured housing and for the purchase
5 of lots described in ORS 92.840 by manufactured dwelling park tenants.”.

6
