

A-Engrossed
House Bill 2629

Ordered by the House March 30
Including House Amendments dated March 30

Sponsored by Representative LININGER; Representatives BOONE, BUCKLEY, BUEHLER, GREENLICK, NATHANSON, PILUSO, REARDON, SMITH WARNER, TAYLOR, VEGA PEDERSON, Senator GELSER (Pre-session filed.)

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.

Requires owners of rental property subject to federal rural rental housing loans to provide **at least** one year's notice of date of maturity of loans to tenants, Housing and Community Services Department, housing authorities and local governments.

Provides that owners' failure to provide notice entitles tenants to continue residing on rental properties [*until expiration of one-year period*] **for up to one year after date of maturity of loans** without increase in rent.

[Declares emergency, effective on passage.]

A BILL FOR AN ACT

1
2 Relating to notice of maturity of rural rental housing loans.

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

4 **SECTION 1. (1) The Legislative Assembly finds that:**

5 (a) **There is a significant number of rental properties in this state whose owners have**
6 **obtained rural rental housing loans from Rural Development or the Farm Service Agency of**
7 **the United States Department of Agriculture under 7 C.F.R. 3560. Many of these rental**
8 **properties contain rental units in which very low, low and moderate income families, elderly**
9 **persons and persons with disabilities live and receive federal rental assistance.**

10 (b) **Beginning in 2015, many of the mortgage loans made to the owners of these rental**
11 **properties will mature and federal rental assistance to tenants residing on the premises of**
12 **these rental properties will no longer be available.**

13 (c) **Currently, there is no legal mechanism in place requiring the owners of these rental**
14 **properties to provide notice of loan maturity to tenants, the Housing and Community Ser-**
15 **vices Department, housing authorities as defined in ORS 456.005 and local governments.**

16 (d) **Requiring notice at least one year before maturity of a loan described in paragraph**
17 **(a) of this subsection would provide:**

18 (A) **Tenants with time to locate alternative housing and rental assistance; and**

19 (B) **The Housing and Community Services Department, housing authorities and local**
20 **governments with time to work with Rural Development or the Farm Service Agency of the**
21 **United States Department of Agriculture to develop arrangements that will protect the**
22 **housing status of existing tenants.**

23 (2) **The owner of any rental property that has received a rural rental housing loan from**
24 **Rural Development or the Farm Service Agency of the United States Department of Agri-**

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 culture under 7 C.F.R. 3560 shall provide written notice by first class mail with postage pre-
2 paid and by posting in a common area on the rental property notice of all of the following:

3 (a) The date upon which the loan matures;

4 (b) That federal rental assistance will no longer be available after the date of loan ma-
5 turity with respect to the rental property that includes the premises on which the tenants
6 reside; and

7 (c) That there may be other program use restrictions and rent controls that expire after
8 the date of loan maturity.

9 (3) The notice required by subsection (2) of this section must be mailed to:

10 (a) Any tenant residing on the premises of the rental property that is the subject of the
11 loan, mailed to the street address of the premises on which the tenant resides, on or after
12 the date that is one year before the date of loan maturity;

13 (b) The Director of the Housing and Community Services Department;

14 (c) The local housing authority as defined in ORS 456.375 that is located in the county
15 or area of operation in which the rental property is located; and

16 (d) The mayor, planning department or person or entity with a similar function in the
17 local government in the area in which the rental property is located.

18 (4)(a) Failure to provide the notice required by this section entitles a tenant residing on
19 the premises of the rental property on the date that is at least one year in advance of the
20 date of loan maturity to continue residing on the premises of the rental property without
21 any increase in the tenant's portion of the rent charged for up to one year after the date
22 of loan maturity, or one year after termination of the tenant's federal rental assistance,
23 program use restrictions or rent controls, whichever date is later.

24 (b) Providing notice less than one year before the date of loan maturity entitles a tenant
25 residing on the premises of the rental property on the date that is at least one year before
26 the date of loan maturity to continue residing on the premises of the rental property without
27 any increase in the tenant's portion of the rent charged for a period of time that equals the
28 number of days that the notice was late.

29 (c) If the tenant begins residency at a time that is less than one year before the date of
30 loan maturity, the tenant must receive the notice required by this section prior to entering
31 into a rental agreement. Failure to provide the notice required by this paragraph entitles the
32 tenant to continue residing on the premises of the rental property without any increase in
33 the tenant's portion of the rent charged for up to one year after the date of loan maturity,
34 or one year after termination of the tenant's federal rental assistance, program use re-
35 strictions or rent controls, whichever date is later.

36 (5) The provisions of subsection (4) of this section are not intended to contravene the
37 owner's right to terminate a tenant's residency or evict a tenant for good cause.

38 (6) As used in this section, "local government" means cities and counties.

39 **SECTION 2.** (1) Section 1 of this 2015 Act applies to rural rental housing loans made be-
40 fore, on or after the effective date of this 2015 Act.

41 (2) Notwithstanding subsection (1) of this section, section 1 of this 2015 Act does not af-
42 fect a contract made before the effective date of this 2015 Act to the extent compliance with
43 the provisions of section 1 of this 2015 Act conflict with or impair the execution of the terms
44 of the contract.