

(iii) Any alternative procedure agreed to under paragraph (c) of this subsection.

(E) Refrain from taking any action, other than notifying the United States Department of Housing and Urban Development of the owner's intention to not renew the contract, that would preclude the affected local government or its designee from succeeding to the contract or negotiating with the owner for the purchase of the property.

(b) Establish and impose any fine, penalty, tax, fee, charge or assessment upon the owner of participating property for failure to comply with local regulations adopted pursuant to paragraph (a) of this subsection.

(c) Establish an alternative procedure to condemnation, including but not limited to arbitration, mediation or facilitated negotiation. However, an alternative procedure may not be used unless mutually agreed to by the property owner and the local government.

(d) Require an owner to refrain from disturbing tenancies, other than for cause as defined in the contract, for a period of not more than 180 days after expiration of the contract if the local government pays, or arranges for payment, to the owner on the first day of each month, the monthly subsidy that the owner was receiving under the contract.

(2) Any notices provided under subsection (1)(a) of this section shall specify whether the owner:

(a) Intends to withdraw the property from a federal housing program.

(b) Intends to convert the participating property to a nonparticipating use.

(c) Is involved in negotiations with the United States Department of Housing and Urban Development or the Housing and Community Services Department regarding an extension of an expiring participation contract.

(3) ORS 456.255 to 456.265 do not require a local government to purchase, condemn or otherwise acquire participating property. [1999 c.275 §3]

**Note:** See note under 456.250.

**456.265 Sanctions against withdrawing property owner prohibited.** (1) Except as expressly authorized in ORS 456.260 (1) or as may be provided by contract with the property owner, a local government may not:

(a) Impose any fine, penalty, tax, fee, charge, assessment or other restriction or sanction against a property owner for withdrawing the participating property from a federal housing program.

(b) Except as an exercise of constitutional or statutory powers of condemnation:

(A) Prevent or restrict a property owner from selling or otherwise disposing of participating property.

(B) Require conveyance of participating property to the local government or to another party.

(C) Impose any fine, penalty, tax, fee, charge, assessment or other restriction or sanction against a property owner for refusing an offer by the local government or another party to purchase participating property.

(c) Require a property owner to pay any replacement fee or other fee for tenant relocation from participating property, except as specified in an alternative procedure being used pursuant to ORS 456.260 (1)(c).

(2) Subsection (1) of this section does not prohibit a local government that is certified by a federal agency to carry out an agency responsibility or to exercise agency authority from taking any action within the scope of that responsibility or authority. [1999 c.275 §4]

**Note:** See note under 456.250.

## AFFORDABLE HOUSING COVENANTS

**456.270 Definitions for ORS 456.270 to 456.295.** As used in ORS 456.270 to 456.295:

(1) "Affordable housing covenant" means a nonpossessory interest in real property imposing

