

HB 4084 -1 STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/10, 2/12

WHAT THE MEASURE DOES:

Establishes the Rural System Development Charges Program within the Oregon Housing and Community Services Department (OHCS) to increase the supply of rural, affordable multifamily housing. Creates framework for use of funds to pay system development charges in rural communities. Permits OHCS, with the advice and consent of the Oregon Housing Stability Council, to adopt criteria for making payments that give preference for the development of affordable housing. Defines “affordable housing,” “rural government” and “system development charge” or SDC. Establishes the Rural System Development Charges Fund, separate and distinct from the General Fund. Appropriates \$750,000 from the General fund to the Rural System Development Charges Fund.

Requires a report to the interim committee of the Legislative Assembly related to housing by December 1 of each even-numbered year. Sunsets on June 30, 2027. Takes effect on the 91st day following sine die.

ISSUES DISCUSSED:

- Opportunities for rural communities to provide for multifamily and affordable housing
- Process for waiving system development charges (SDC) to developers
- SDCs as obstacles to affordable housing
- Opportunities for housing veterans

EFFECT OF AMENDMENT:

-1 02/07/2020

Specifies that area median income is based on household size. Modifies definition of "rural government" by basing the timing for calculating population of a community on receipt of application for a payment.

BACKGROUND:

System Development Charges (SDCs) are one-time fees charged on new development, and certain types of redevelopment, to help pay for existing and planned infrastructure to serve the development. SDCs are one means of financing growth available to local governments. State law authorizes local governments (cities, counties and special districts) to assess SDCs and specifies how, when, and for what improvements they can be imposed, and provides guidelines on the calculation and modification of SDCs. Depending on the project, SDCs may increase a project's budget substantially.

House Bill 4084 establishes the Rural System Development Charges Program within the Oregon Housing and Community Services Department (OHCS) to increase the supply of rural, affordable multifamily housing and appropriates \$750,000 from the General fund to the Rural System Development Charges Fund.