

## **HB 3335 A STAFF MEASURE SUMMARY**

### **Joint Committee On Ways and Means**

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**Prepared By:** Michelle Deister, Budget Analyst

**Meeting Dates:** 6/15, 6/18

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#### **WHAT THE MEASURE DOES:**

Requires the Housing and Community Services Department to provide a grant to the Hacienda Community Development Corporation to fund the accessory dwelling unit (ADU) community pilot program. Specifies that ADUs must be developed on the property of eligible homeowners, or of nonprofits who own a home that is rented to homeowners, with an income at or below area median income. Specifies that ADUs are developed for use by eligible tenants with a household income below 60 percent of area median income. Clarifies that pilot program grant recipient or subrecipients must provide assistance in siting, development, financing, leasing, and property management of ADUs, and requires that ADUs developed under this program remain affordable for no less than 10 years. Provides terms of grant agreement between grant recipient and department. Requires the department to report to an interim committee of the Legislative Assembly on pilot program participation and outcomes no later than September 15, 2023. Sunsets grant program January 2, 2024. Appropriates \$1 million in General Fund moneys for the biennium beginning July 1, 2021, to be awarded to Hacienda Community Development Corporation to implement the ADU pilot program. Declares emergency, effective on passage.

#### **ISSUES DISCUSSED:**

- Accessory dwelling units as an innovative affordable housing alternative

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

To address the lack of affordable housing supply, the Legislative Assembly enacted Senate Bill 1051 (2017) to require cities and counties to allow accessory dwelling units (ADUs) in areas zoned for detached single-family dwellings. Subsequently, in 2018, House Bill 4031 clarified that the ADU allowance applies only to areas within an urban growth boundary.

The Hacienda Community Development Corporation is leading a 2021 pilot program called Small Homes Northwest, in which it will develop four energy-efficient ADUs in partnership with moderate-income homeowners. The ADUs will be developed in Portland neighborhoods at risk of gentrification, and be made available to low-income tenants as regulated affordable rentals for a period of 10 years.

House Bill 3335 appropriates \$1 million to the Hacienda Community Development Corporation to expand the ADU community pilot program to areas outside of Portland for eligible low-income homeowners and eligible low-income tenants.