

HB 2981 -1 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 1/31

WHAT THE MEASURE DOES:

Directs Oregon Business Development Department (Department) to make loans with a term of 40 years to developers, and provide grants to local governments, for infrastructure and public improvements supporting moderate income housing. Allocates, for the biennium beginning July 1, 2023, \$20 million in General Fund moneys to the department for moderate income housing loans and grants. Defines, for purposes of this Act, “moderate income housing” as housing subject to an affordability restriction of no less than 30 years for households earning between 60 and 120 percent of area median income.

Directs Department to provide grants to nonprofits for the development of a revolving loan fund supporting land acquisition and specified predevelopment costs for moderate income housing development projects. Clarifies loan terms and that eligible grant recipients must be tax-exempt, community development financial institutions supporting statewide affordable housing production. Allocates, for the biennium beginning July 1, 2023, \$20 million in General Fund moneys to the department for grants to support land and predevelopment costs for moderate income housing.

Directs Department to provide grants to nonprofits to guarantee repayment of loans financing the construction of moderate income housing. Allocates, for the biennium beginning July 1, 2023, \$20 million in General Fund moneys to the department for grants for moderate income housing loan guarantee funds.

Directs Department to provide grants and loans to entities developing modular housing or components, under advisement from a temporary advisory committee. Requires loan or grant recipients to prioritize supplying modular housing components: first, for wildfire or natural disaster recovery housing; second, for low-income housing construction; and third, for moderate income housing construction. Allocates, for the biennium beginning July 1, 2023, \$20 million in General Fund moneys to the department for grants to entities developing modular housing components.

Repeals provisions of the measure on January 2, 2026. Takes effect on 91st day following adjournment sine die.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Allocates \$5 million in General Fund moneys for the biennium beginning July 1, 2023 to Oregon Business Development Department and subsequent nonprofit grant recipient to establish housing production resource center. Clarifies objectives of the housing production resource center in supporting the production of modular and other needed housing, including but not limited to: education; workforce development; financial and technical assistance for developers and local governments in identifying, acquiring, and developing lands and related infrastructure; development of model code; and supporting regional partnerships and strategies. Allows housing production resource center to develop regional offices in communities with demonstrated commitment to developing a modular housing workforce. Defines “modular housing” as dwellings consisting of prefabricated

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panels manufactured offsite, including prefabricated structures, volumetric modular housing, and mass timber-constructed dwellings, and other housing constructed through innovative methods as identified by housing production resource center.

Clarifies department will work in consultation with the Department of Land Conservation and Development and the Housing and Community Services Department in making loans to developers or grants, loans, and forgivable loans to local governments, for infrastructure and public improvements supporting moderate income housing.

BACKGROUND:

According to the Department of Land Conservation and Development (DLCD), Oregon needs to develop more than 550,000 new housing units across income levels to accommodate 20 years of population growth and to account for current underproduction and the lack of units for people experiencing homelessness. DLCD estimates approximately 49 percent of this housing will require public subsidy. Business Oregon's 2021 Equitable Economic Recovery Plan cites the lack of workforce housing, typically understood as housing for individuals or families earning between 80 and 120 percent of area median income, as a top barrier to attracting workers who want to live near their place of employment.

House Bill 2981 directs the Oregon Business Development Department (Department) to make loans to developers, and grants to local governments, for infrastructure and public improvements supporting moderate income housing. The measure directs the department to provide grants to eligible nonprofits for the development of a revolving loan fund supporting land acquisition and specified predevelopment costs for moderate income housing development projects. It also directs the Department to provide grants to nonprofits to guarantee repayment of loans financing the construction of moderate income housing. It further directs the Department to provide grants and loans to entities developing modular housing or related components, and requires grant or loan recipients to prioritize disaster recovery or low-income housing production. The measure allocates a total of \$80 million in General Fund moneys for the biennium beginning July 1, 2023 for the purposes described in the measure.