

SB 534 STAFF MEASURE SUMMARY

Senate Committee On Housing and Development

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/1

WHAT THE MEASURE DOES:

Directs Oregon Facilities Authority to provide financing or refinancing to local governments or housing developers for the development of infrastructure and covering costs such as site acquisition and planning activities, usable only for housing to remain affordable to moderate income households for at least 30 years. Appropriates \$3 million in General Fund moneys to the Oregon Facilities Authority for purposes of this Act; restricts financing to no more than \$500,000 per project.

Declares emergency, effective July 1, 2023.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Facilities Authority is a state agency geared towards aiding nonprofit organizations access financing for capital projects through the issuance of tax exempt conduit revenue bonds. Interest on these bonds is exempt from federal and state personal income taxes, reducing borrowing costs in financing capital projects. The December 2022 Oregon Housing Needs Analysis legislative recommendation report notes that infrastructure cost and availability can make affordable housing prohibitively expensive to develop. Testimony during the 2023 session to the Senate Committee on Housing and Development has mentioned financing and lack of infrastructure as barriers to development of housing for low and moderate income households. Moderate income households are defined as those making more than 80 percent but less than or equal to 120 percent of the area median income.

Senate Bill 534 provides \$3 million in financing or refinancing to local governments or housing developers to support infrastructure development and predevelopment costs, with individual project funds limited to \$500,000. These projects must remain affordable to moderate income households for at least 30 years.