

SB 936 STAFF MEASURE SUMMARY

Senate Committee On Housing and Development

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/13

WHAT THE MEASURE DOES:

Homeownership development grants: Provides \$100 million to Housing and Community Services Department (OHCS) to provide grants for the development of owner-occupied single-family homes, provided recipient: is or partners with a culturally responsive organization, demonstrates strategies to make homebuying available to underserved communities, and sells the homes to first-time, low-income homeowners. Specifies affordability and income restrictions on homes developed with grant funds. Allows OHCS to prioritize grantees that finance lower down payment or interest rates for buyers or use a community land trust model. Allows OHCS to provide 15 percent of grant for predevelopment costs provided recipient is public benefit corporation primarily involved in affordable housing development; does not require return of predevelopment moneys from grantees unable to complete development. Clarifies eligible grantees may include homes with ownership of ground lease with term of at least 90 years or ownership of share in cooperative or equity interest in the property. **Affordable Housing Land Acquisition Revolving Loan Program:** Provides \$30 million to OHCS for financial assistance to organizations under the Affordable Housing Land Acquisition Revolving Loan Program. Directs OHCS to provide loans to qualifying nonprofit organizations to purchase land for affordable housing development. Specifies eligible organizations must serve low-income households and who are or are partnering with a cultural organization. Directs OHCS must provide zero percent interest loans to eligible organizations, and requires loan recipient to complete development within five years of receiving loan. **Ownership and co-ownership grants:** Provides \$20 million to OHCS for grants to fund housing projects providing housing for ownership or co-ownership by low-income households. Specifies grant funding is focused on innovative and creative solutions to providing housing for ownership, including: innovative building materials or processes; nonresidential conversion to residential use; models of ownership such as community land trusts, shared or limited-equity models, or housing cooperatives; public-private partnerships; or incorporating economic development components or public benefits. Directs OHCS to prioritize projects with existing funding and that are submitted by or in partnership with a culturally-responsive or culturally-specific organization. Sunsets provisions of Act January 2, 2026.

Declares emergency, effective July 1, 2023.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The legislatively-appointed Joint Task Force on Addressing Racial Disparities in Home Ownership (Task Force) was created by House Bill 2007 (2021) and tasked with proposing solutions to eliminate discrimination and address barriers that reduce or prevent homeownership among people of color in Oregon.

Task Force recommendations included leveraging existing state programs to expand homeownership development opportunities for communities of color. Oregon Housing and Community Services (OHCS) operates programs such as the Local Innovation and Fast Track (LIFT) Housing Program, which prioritizes new affordable housing for low to moderate-income households, and the Land Acquisition Program (LAP), to help local

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governments and nonprofit organizations purchase land for affordable housing development. The Task Force found pre-development financing and zero-interest loans helped smaller and non-profit developers cover infrastructure and other costs needed to complete projects.

Senate Bill 936 appropriates \$150,000,000 in General Fund moneys to OHCS for the development of owner-occupied single-family homes, financial assistance to organizations under the Affordable Housing Land Acquisition Loan Program, and grants to fund affordable housing projects providing housing for low-income households. Funding of all three areas would require recipients to be or partner with culturally responsive or culturally-specific organizations.