

HB 2980 -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: 2/2, 3/28

WHAT THE MEASURE DOES:

Directs unspecified department to develop and administer no-interest loans to participating jurisdictions to fund eligible costs associated with the construction of eligible housing projects. Clarifies eligible housing projects include single-family and multifamily dwellings, and accessory dwelling units available for rent or ownership, available to households with an income no greater than 120 percent of area median income.

Describes use of tax increment financing by a participating jurisdiction to repay loan from revenue gained through increase in assessed value of eligible housing project property. Clarifies grant awards must be capable of being repaid from 10 consecutive years of tax increment financing revenue; allows awards to cover eligible project costs incurred up to 12 months prior local site approval.

Requires cities over 10,000 participating in program to amend the city's housing production strategy related to eligible housing projects under this Act. Describes participating jurisdiction and department requirements related to program application development, review, and approval. Clarifies department obligations related to administering the loan to participating jurisdictions.

Describes responsibilities of county assessor of county in which eligible housing project is located in determining and reporting on a property's assessed value, and in providing valuation report to county assessor in another county if property extends to another county. Requires county assessor to determine tax revenue levied on each eligible housing property, excluding from the calculated tax rate any local option tax or tax to repay exempt bonded indebtedness. Directs Department of Revenue to establish in rule procedures for revenue assessment and notification of a participating jurisdiction.

Establishes Affordable Housing Revolving Loan Fund within the State Treasury for purpose of making loans to jurisdictions for eligible costs and reimbursing the unspecified department for administering the affordable housing revolving loan program. Appropriates \$500 million to the unspecified department to carry out provisions of this Act. 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 Replaces the measure.

Directs Oregon Business Development Department (OBDD) to develop and administer loans to sponsoring jurisdictions to fund certain costs associated with the construction of eligible housing projects. Clarifies loans must be interest-free for at least 10 years, and that eligible housing projects include single-family and multifamily dwellings, and accessory dwelling units available for rent or ownership, available to households with an income no

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greater than 120 percent of area median income.

Allows sponsoring jurisdiction to establish grant program by adopting ordinance or resolution describing program eligibility requirements, including requirements in addition to those described in measure. Clarifies grant awards must be capable of being repaid from not more than 10 consecutive years of assessed property tax revenue; allows awards to cover eligible project costs incurred up to 12 months prior to local site approval.

Describes sponsoring jurisdiction and OBBD requirements related to grant program application development, review, approval, and loan repayment process. Directs, among other grant agreement obligations, sponsoring jurisdiction to request from and incorporate tax rates provided by county tax officers to estimate the amount of property taxes assessed against an eligible housing project property that will be available for loan repayment.

Describes responsibilities of county tax officer of county in which eligible housing project is located in determining and reporting on a property's assessed value, and subtracting the amount of fire district and bond taxes assessed against the tax account containing the eligible project property. Clarifies OBBD obligations related to administering the loan to sponsoring jurisdictions, and requires OBBD to aggregate and notify county tax officers of total property tax needed to repay loans for eligible housing projects located in the county for the current assessment year.

Establishes Housing Project Revolving Loan Fund within the State Treasury for purpose of making loans to jurisdictions for eligible costs, and continuously appropriates funds to OBBD for administering housing project revolving loan program. Appropriates \$300 million to OBBD to carry out provisions of Act. Takes effect on 91st day following adjournment sine die.

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. The department reported in its February 2021 Regional Housing Needs Analysis report that moderate income housing, defined in statute as housing for income levels between 80 percent and 120 percent of area median income, currently comprises 17% of housing underproduction in Oregon. Underproduction is attributed to high land and construction costs, inadequate infrastructure, and limited local government capacity.

House Bill 2980 Directs an unspecified department to develop and administer no-interest loans to jurisdictions to fund eligible costs associated with the construction of eligible housing projects, including single-family and multifamily dwellings, and accessory dwelling units available for rent or ownership, and available to households with an income no greater than 120 percent of area median income. Participating jurisdictions must repay the loan with revenue gained through an increase in the assessed value of the eligible housing project property. The measure describes the responsibilities of the participating jurisdiction and the (unspecified) department related to loan administration. It clarifies the role of the county assessor and the Department of Revenue in collecting and reporting on a property's assessed value. Finally, the measure establishes the Affordable Housing Revolving Loan Fund within the State Treasury and appropriates \$500 million to the fund to carry out the provisions of this Act.