

HOUSE AMENDMENTS TO HOUSE BILL 2980

By COMMITTEE ON HOUSING AND HOMELESSNESS

April 7

- 1 On page 1 of the printed bill, delete lines 4 through 29 and delete pages 2 through 7 and insert:
- 2 **“SECTION 1. As used in sections 1 to 12 of this 2023 Act:**
- 3 **“(1) ‘Assessor,’ ‘tax collector’ and ‘treasurer’ mean the individual filling that county of-**
- 4 **fice so named or any county officer performing the functions of the office under another**
- 5 **name.**
- 6 **“(2) ‘County tax officers’ and ‘tax officers’ mean the assessor, tax collector and treasurer**
- 7 **of a county.**
- 8 **“(3) ‘Eligible costs’ means the following costs associated with an eligible housing project:**
- 9 **“(a) System development charges;**
- 10 **“(b) Predevelopment costs;**
- 11 **“(c) Construction costs;**
- 12 **“(d) Site-specific infrastructure; and**
- 13 **“(e) Land write-downs.**
- 14 **“(4) ‘Eligible housing project’ means a project to construct housing, or to convert a**
- 15 **building from a nonresidential use to housing, that is:**
- 16 **“(a) If for-sale property, a single-family dwelling, middle housing as defined in ORS**
- 17 **197.758 or a multifamily dwelling affordable at initial sale to households with an annual in-**
- 18 **come not greater than 120 percent of the area median income; or**
- 19 **“(b) If rental property:**
- 20 **“(A) Middle housing as defined in ORS 197.758;**
- 21 **“(B) A multifamily dwelling;**
- 22 **“(C) An accessory dwelling unit as defined in ORS 215.501; or**
- 23 **“(D) Any other form of affordable housing or moderate income housing.**
- 24 **“(5) ‘Eligible housing project property’ means the taxable real and personal property**
- 25 **constituting the improvements of an eligible housing project.**
- 26 **“(6) ‘Fire district taxes’ means property taxes levied by fire districts within whose terri-**
- 27 **tory all or a portion of eligible housing project property is located.**
- 28 **“(7) ‘Nonexempt property’ means property other than eligible housing project property**
- 29 **in the tax account that includes the eligible housing project property.**
- 30 **“(8) ‘Nonexempt taxes’ means the ad valorem property taxes assessed on nonexempt**
- 31 **property.**
- 32 **“(9) ‘Sponsoring jurisdiction’ means:**
- 33 **“(a)(A) A city with respect to eligible housing projects located within the city boundaries;**
- 34 **or**
- 35 **“(B) A county with respect to eligible housing projects located in urban unincorporated**

1 areas of the county; or

2 “(b) The governing body of a city or county described in paragraph (a) of this subsection.

3 “SECTION 2. (1) A sponsoring jurisdiction may adopt by ordinance or resolution a pro-
4 gram under which the sponsoring jurisdiction awards grants to developers for eligible costs.

5 “(2) The ordinance or resolution shall set forth:

6 “(a) The kinds of eligible housing projects for which a developer may seek a grant under
7 the program;

8 “(b) Any definition of ‘affordable housing’ or ‘moderate income housing’ the sponsoring
9 jurisdiction intends to apply to eligible housing projects; and

10 “(c) Any eligibility requirements to be imposed on projects and developers in addition to
11 those required under sections 1 to 12 of this 2023 Act.

12 “(3) A grant award:

13 “(a) May not exceed the maximum principal amount of the loan to which the grant award
14 relates, as determined under section 7 (2)(a) of this 2023 Act, made to a sponsoring jurisdic-
15 tion under section 4 of this 2023 Act.

16 “(b) May include reimbursement for eligible costs incurred for up to 12 months preceding
17 the date on which the eligible housing project received local site approval.

18 “(4) Eligible housing project property for which a developer receives a grant for eligible
19 costs may not be granted any exemption, partial exemption or special assessment of ad
20 valorem property taxes other than the exemption granted under section 8 of this 2023 Act.

21 “SECTION 3. (1)(a) A sponsoring jurisdiction that adopts a grant program pursuant to
22 section 2 of this 2023 Act shall prescribe an application process, including forms and dead-
23 lines, by which developers of eligible housing projects may apply for a grant.

24 “(b) An application for a grant must include, at a minimum:

25 “(A) A description of the eligible housing project;

26 “(B) An itemized description of the eligible costs for which the grant is sought;

27 “(C) The amount of the grant sought;

28 “(D) The proposed schedule for completion of the eligible housing project;

29 “(E) A project pro forma on a form provided to the sponsoring jurisdiction by the Oregon
30 Business Development Department that demonstrates that the project is economically fea-
31 sible only with the grant moneys; and

32 “(F) Any other information, documentation or attestation that the sponsoring jurisdic-
33 tion considers necessary or convenient for the application review process.

34 “(c) Applications shall be reviewed on a first-come, first-served basis.

35 “(2)(a) Within 30 days following the receipt of an application from a developer, the spon-
36 soring jurisdiction shall:

37 “(A) Review the application;

38 “(B) Request that the county tax officers provide to the sponsoring jurisdiction and the
39 department the information necessary to making the determinations under section 7 (2) of
40 this 2023 Act;

41 “(C) Use the information provided under subparagraph (B) of this paragraph to deter-
42 mine, under section 7 (2)(a) of this 2023 Act, the maximum principal amount of a loan that
43 may be made to the sponsoring jurisdiction under section 4 of this 2023 Act;

44 “(D) Review and revise, if appropriate, the maximum grant amount for which the eligible
45 housing project is eligible; and

1 “(E)(i) Recommend approval of the application as submitted;
2 “(ii) Recommend approval for a grant amount other than the amount sought in the ap-
3 plication; or
4 “(iii) Reject the application.
5 “(b) The sponsoring jurisdiction may consult with the developer about the application,
6 and the developer, after such consultation, may amend the application on or before a dead-
7 line set by the sponsoring jurisdiction.
8 “(3) The sponsoring jurisdiction shall:
9 “(a) Forward recommended applications to the Oregon Business Development Depart-
10 ment for review under section 4 of this 2023 Act; and
11 “(b) Notify applicants of:
12 “(A) The sponsoring jurisdiction’s recommendations; and
13 “(B) The further review of applications by the department under section 4 of this 2023
14 Act.
15 “SECTION 4. (1)(a) The Oregon Business Development Department shall develop a pro-
16 gram to make loans to sponsoring jurisdictions to fund grants made under the sponsoring
17 jurisdiction’s grant program adopted pursuant to section 2 of this 2023 Act.
18 “(b) The loans shall be interest free for a term not to exceed 10 years.
19 “(2) Within 30 days following the receipt of a recommended application forwarded by the
20 sponsoring jurisdiction under section 3 (3) of this 2023 Act, the department shall:
21 “(a) Review the recommended application for:
22 “(A) Compliance with the provisions of sections 1 to 12 of this 2023 Act; and
23 “(B) The accuracy of the amounts computed under section 7 (2) of this 2023 Act;
24 “(b) Make a final decision to:
25 “(A) Approve the application;
26 “(B) Approve the application for a grant amount other than the amount recommended
27 by the sponsoring jurisdiction; or
28 “(C) Reject the application; and
29 “(c) Notify the sponsoring jurisdiction and each applicant of the department’s final deci-
30 sion.
31 “(3) For each application the department approves, the department shall:
32 “(a) Enter into a loan agreement with the sponsoring jurisdiction in the amount of the
33 grant approved for the application; and
34 “(b) Pay to the sponsoring jurisdiction the loan proceeds out of the Housing Project Re-
35 volving Loan Fund established under section 12 of this 2023 Act.
36 “(4) In addition to the payment made under subsection (3)(b) of this section, the depart-
37 ment shall pay out of the fund, with respect to each loan:
38 “(a) An amount equal to one percent of the loan proceeds to the sponsoring jurisdiction
39 to reimburse the sponsoring jurisdiction for the costs of administering the grant program,
40 other than the costs of tax administration;
41 “(b) An amount equal to one percent of the loan proceeds to the county that is the
42 sponsoring jurisdiction, or the county in which the city that is the sponsoring jurisdiction is
43 situated, to reimburse the county for the costs of the tax administration of the grant pro-
44 gram by the county tax officers; and
45 “(c) A reimbursement to the department for its actual costs incurred in administering

1 sections 1 to 12 of this 2023 Act.

2 “(5) The department may adopt any rule it considers necessary or convenient for ad-
3 ministering sections 1 to 12 of this 2023 Act.

4 “**SECTION 5.** (1)(a) Upon entering into a loan agreement with the Oregon Business De-
5 velopment Department under section 4 of this 2023 Act, a sponsoring jurisdiction shall offer
6 a grant agreement to each developer whose application was approved including a grant award
7 in an amount equal to the loan proceeds received by the sponsoring jurisdiction for the eli-
8 gible housing project to which the grant agreement relates.

9 “(b) The rejection of an application and the amount of a grant award may not be ap-
10 pealed, but a developer may reapply for a grant at any time within the stated deadlines of
11 the grant program for the same or another eligible housing project.

12 “(c) The grant agreement shall contain such terms as are:

13 “(A) Approved by the department;

14 “(B) Required under sections 1 to 12 of this 2023 Act;

15 “(C) Agreed to by the sponsoring jurisdiction and the developer; and

16 “(D) Included by the sponsoring jurisdiction to enforce the affordability provisions of the
17 grant agreement.

18 “(2) Upon entering into a grant agreement with a developer, a sponsoring jurisdiction
19 shall adopt an ordinance or resolution setting forth the details of the eligible housing project
20 that is the subject of the agreement, including, but not limited to:

21 “(a) A description of the eligible housing project;

22 “(b) An itemized description of the eligible costs;

23 “(c) The amount and terms of the grant award;

24 “(d) Written notice that the eligible housing project property is exempt from property
25 taxation in accordance with section 8 of this 2023 Act; and

26 “(e) A statement declaring that the grant has been awarded in response to the housing
27 needs of communities within the sponsoring jurisdiction.

28 “(3) As soon as practicable after the ordinance or resolution required under subsection
29 (2) of this section becomes effective, the sponsoring jurisdiction shall distribute the loan
30 proceeds received from the department under section 4 (3)(b) of this 2023 Act to the devel-
31 oper as the grant moneys awarded under this section.

32 “(4) The sponsoring jurisdiction shall forward a copy of the grant agreement, the ordi-
33 nance or resolution and any other material the sponsoring jurisdiction considers important
34 to the Oregon Business Development Department and the tax officers of the county in which
35 the eligible housing project is located.

36 “**SECTION 6.** (1) Repayment of loans made under section 4 of this 2023 Act shall begin,
37 in accordance with section 9 of this 2023 Act, after completion of the eligible housing project
38 funded by the grant to which the loan relates.

39 “(2)(a) The sponsoring jurisdiction shall determine the date of completion of an eligible
40 housing project.

41 “(b)(A) If an eligible housing project is completed before July 1 of the assessment year,
42 repayment shall begin with the property tax year that begins on July 1 of the assessment
43 year.

44 “(B) If an eligible housing project is completed on or after July 1 of the assessment year,
45 repayment shall begin with the property tax year that begins on July 1 of the following as-

1 assessment year.

2 “(c) After making the determination under paragraph (b) of this subsection, the spon-
3 soring jurisdiction shall notify the Oregon Business Development Department and the county
4 tax officers of the determination.

5 “(3) A loan shall remain outstanding until the loan is repaid in full.

6 “**SECTION 7.** (1) Upon receipt of the information requested from county tax officers un-
7 der section 3 (2)(a)(B) of this 2023 Act, the sponsoring jurisdiction shall:

8 “(a) For the property tax year in which a grant application is received under section 3
9 of this 2023 Act:

10 “(A) Determine the amount of property taxes assessed against the tax account that in-
11 cludes the eligible housing project property; and

12 “(B) Subtract the amount of fire district taxes from the amount determined under sub-
13 paragraph (A) of this paragraph.

14 “(b) For the first property tax year for which the completed eligible housing project
15 property is estimated to be taken into account:

16 “(A) Determine the estimated amount of property taxes that will be assessed against the
17 tax account; and

18 “(B) Subtract the estimated amount of fire district taxes from the amount determined
19 under subparagraph (A) of this paragraph.

20 “(2)(a) The maximum principal amount of a loan made to a sponsoring jurisdiction under
21 section 4 of this 2023 Act and the amount of a grant award made to a developer under section
22 5 of this 2023 Act out of the loan proceeds shall equal, for each respective eligible housing
23 project, the product of:

24 “(A) The increment that results from subtracting the amount determined under sub-
25 section (1)(a) of this section from the amount determined under subsection (1)(b) of this
26 section; and

27 “(B) The term of the loan.

28 “(b) The amount of the annual fee charged to a developer under section 9 of this 2023
29 Act for the first year shall equal the difference determined under paragraph (a)(A) of this
30 subsection.

31 “(c) As soon as practicable after determining amounts under this subsection, the spon-
32 soring jurisdiction shall provide written notice to the Oregon Business Development De-
33 partment and the county tax officers certifying the amounts.

34 “**SECTION 8.** (1) Upon receipt of the copy of a grant agreement and ordinance or resol-
35 ution from the sponsoring jurisdiction under section 5 (4) of this 2023 Act, the assessor of
36 the county in which the eligible housing project property is located shall:

37 “(a) Exempt the eligible housing project property in accordance with this section;

38 “(b) Assess and tax the nonexempt property in the tax account as other similar property
39 is assessed and taxed; and

40 “(c) Submit a written report to the sponsoring jurisdiction and the Oregon Business De-
41 velopment Department setting forth the assessor’s estimate of the amount of:

42 “(A) The real market value of the exempt eligible housing project property; and

43 “(B) The property taxes on the exempt eligible housing project property that would have
44 been collected if the property were not exempt.

45 “(2)(a) The exemption shall first apply to the property tax year that immediately succeeds

1 the effective date of the ordinance or resolution adopted by the sponsoring jurisdiction under
2 section 5 (2) of this 2023 Act.

3 “(b) The eligible housing project property shall be disqualified from the exemption on the
4 earliest of:

5 “(A) July 1 of the property tax year immediately succeeding the date on which the loan
6 that relates to the eligible housing project is repaid in full;

7 “(B) The date on which foreclosure proceedings are commenced as provided by law for
8 delinquent taxes assessed on the nonexempt property;

9 “(C) The date on which the annual fee imposed on the developer under section 9 of this
10 2023 Act becomes delinquent; or

11 “(D) The date on which a condition specified in section 11 (1) of this 2023 Act occurs.

12 “(c) After the eligible housing project property has been disqualified from the exemption
13 under this subsection, the property shall be assessed and taxed as other similar property is
14 assessed and taxed.

15 “(3) For each tax year that the eligible housing project property is exempt from taxation,
16 the assessor shall enter a notation on the assessment roll stating:

17 “(a) That the property is exempt under this section; and

18 “(b) The presumptive number of property tax years for which the exemption is granted,
19 which shall be the term of the loan agreement relating to the eligible housing project.

20 “SECTION 9. (1)(a) The developer whose eligible housing project property has been
21 granted exemption under section 8 of this 2023 Act shall pay an annual fee in repayment of
22 the loan made under section 4 of this 2023 Act with respect to the eligible housing project.

23 “(b) The fee shall be payable for the lesser of 10 consecutive property tax years or until
24 the loan is retired as determined under section 6 (3) of this 2023 Act.

25 “(2)(a) The amount of the fee for the first property tax year that the loan is outstanding
26 shall be the amount determined under section 7 (2)(b) of this 2023 Act.

27 “(b) For each subsequent property tax year, the amount of the fee shall be 103 percent
28 of the amount of the fee for the preceding property tax year.

29 “(3)(a) The sponsoring jurisdiction shall provide written notice to the Oregon Business
30 Development Department of each fee amount that will be due from developers with respect
31 to eligible housing projects located in the sponsoring jurisdiction.

32 “(b) Not later than July 15 of each property tax year during which any loan remains
33 outstanding, the department shall aggregate by county all notices that the department has
34 received under this subsection and section 7 (2) of this 2023 Act on or after July 16 of the
35 previous property tax year and notify the tax officers of each county of the total and indi-
36 vidual amounts of annual fees related to eligible housing projects located in the county for
37 the current assessment year.

38 “(4)(a) The assessor shall place on the tax statement of each tax account that includes
39 exempt eligible housing project property:

40 “(A) The values and taxes assessed on the nonexempt property; and

41 “(B) The amount of the fee imposed on the developer with respect to the eligible housing
42 project property.

43 “(b) The treasurer shall distribute the total aggregate fee moneys to the department.

44 “(5) The department shall:

45 “(a) Estimate the amount of fire district taxes that would have been collected on eligible

1 housing project property if the property were not exempt;

2 “(b) Distribute the amounts determined under paragraph (a) of this subsection to the
3 respective fire districts out of the fee moneys; and

4 “(c) Deposit the net fee moneys in the Housing Project Revolving Loan Fund established
5 under section 12 of this 2023 Act in repayment of the loans to which the fees relate.

6 “(6) The sponsoring jurisdiction may repay any loan early.

7 “(7) Property taxes assessed on nonexempt property shall be distributed in the same
8 manner as other property taxes are distributed.

9 “SECTION 10. (1) Not later than August 1 of each year in which a grant agreement en-
10 tered into under section 5 of this 2023 Act is in effect, the developer that is party to the
11 agreement shall submit a report to the sponsoring jurisdiction and the Oregon Business
12 Development Department that contains:

13 “(a) The status of the construction or conversion of the eligible housing project property,
14 including an estimate of the date of completion;

15 “(b) An itemized description of the uses of the grant moneys; and

16 “(c) Any information the sponsoring jurisdiction or the department considers important
17 for evaluating the eligible housing project and the developer’s performance under the terms
18 of the grant agreement.

19 “(2) Not later than September 15 of each year in which a grant agreement is in effect,
20 the department shall submit, in the manner required under ORS 192.245, a report summa-
21 rizing the information received from developers pursuant to subsection (1) of this section,
22 and the repayment status of all outstanding loans, to the interim committees of the Legis-
23 lative Assembly related to housing.

24 “SECTION 11. (1)(a) A developer that received a grant award under section 5 of this 2023
25 Act shall become liable for immediate payment to the Oregon Business Development De-
26 partment of the outstanding annual fee payments imposed under section 9 of this 2023 Act
27 for the remaining term of the loan to which the fee relates if:

28 “(A) The developer has not completed the eligible housing project within three years
29 following the date on which the grant moneys were distributed to the developer;

30 “(B) The eligible housing project changes substantially from the project for which the
31 developer’s application was approved such that the project would not have been eligible for
32 the grant; or

33 “(C) The developer has not complied with a requirement specified in the grant agreement.

34 “(b) The sponsoring jurisdiction may, in its sole discretion, extend the date on which the
35 eligible housing project must be completed.

36 “(2) The county tax officers shall distribute amounts collected under this section in the
37 same manner as annual fee payments are distributed under section 9 of this 2023 Act.

38 “(3) Any and all amounts required to be paid under this section shall be considered to
39 be liquidated and delinquent, and the Oregon Business Development Department shall assign
40 such amounts to the Department of Revenue for collection as provided in ORS 293.250.

41 “(4) If the sponsoring jurisdiction or the Oregon Business Development Department dis-
42 covers that a developer willfully made a false statement or misrepresentation or willfully
43 failed to report a material fact to obtain a grant, the Oregon Business Development De-
44 partment may add to the amount the developer is obligated to pay a penalty not to exceed
45 20 percent of the amount of the grant so obtained, plus any applicable interest and fees as-

1 sociated with the Department of Revenue's costs of collection.

2 “(5) Subject to ORS 293.250, all amounts paid to the Oregon Business Development De-
3 partment or the Department of Revenue under this section, including award amounts, pen-
4 alties, interest, fees and any other charges, shall be transferred to the Housing Project
5 Revolving Loan Fund established under section 12 of this 2023 Act in repayment of the loans
6 to which the fees relate.

7 “SECTION 12. (1) The Housing Project Revolving Loan Fund is established in the State
8 Treasury, separate and distinct from the General Fund. Interest earned by the Housing
9 Project Revolving Loan Fund shall be credited to the fund.

10 “(2) Moneys in the Housing Project Revolving Loan Fund shall consist of:

11 “(a) Amounts appropriated or otherwise transferred or credited to the fund by the Leg-
12 islative Assembly;

13 “(b) Fee payments received by the Oregon Business Development Department under
14 section 9 of this 2023 Act;

15 “(c) Earnings received on moneys in the fund; and

16 “(d) Other moneys or proceeds of property from any public or private source that are
17 transferred, donated or otherwise credited to the fund.

18 “(3) Moneys in the Housing Project Revolving Loan Fund are continuously appropriated
19 to the Oregon Business Development Department for the following purposes:

20 “(a) Making loans to sponsoring jurisdictions under section 4 of this 2023 Act;

21 “(b) Reimbursing costs to sponsoring jurisdictions and counties payable under section 4
22 (4)(a) and (b) of this 2023 Act; and

23 “(c) Reimbursing the actual costs incurred by the department payable under section 4
24 (4)(c) of this 2023 Act.

25 “(4) Moneys in the Housing Project Revolving Loan Fund at the end of a biennium shall
26 be retained in the fund and used for the purposes set forth in subsection (3) of this section.

27 “SECTION 13. There is appropriated to the Oregon Business Development Department,
28 for the biennium beginning July 1, 2023, out of the General Fund, the amount of \$300,000,000,
29 for deposit in the Housing Project Revolving Loan Fund established under section 12 of this
30 2023 Act, to be used for the purpose of carrying out the provisions of sections 1 to 12 of this
31 2023 Act.

32 “SECTION 14. This 2023 Act takes effect on the 91st day after the date on which the 2023
33 regular session of the Eighty-second Legislative Assembly adjourns sine die.”