

House Bill 2981

Sponsored by Representative MARSH, Senator ANDERSON; Representative FAHEY, Senator GOLDEN (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires Oregon Business Development Department to provide grants and loans for housing. Appropriates moneys from General Fund to department to fund grants and loans.

Sunsets January 2, 2026.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1 Relating to housing; and prescribing an effective date.

2 **Be It Enacted by the People of the State of Oregon:**

3 **SECTION 1. Moderate income housing infrastructure.** (1) **The Oregon Business Develop-**
4 **ment Department shall:**

5 (a) **Make loans to developers of moderate income housing to develop infrastructure or**
6 **public improvements supporting the housing, including transportation and utility improve-**
7 **ments or extensions.**

8 (b) **Provide grants to local governments to create, improve or extend infrastructure,**
9 **utilities or public services to support the development of moderate income housing.**

10 (2) **Loans made under this section must have a term of 40 years.**

11 (3) **Proceeds received by the state for the repayment of loans made under this section**
12 **must be deposited in the General Fund.**

13 (4) **As used in sections 1 to 4 of this 2023 Act, "moderate income housing" means housing**
14 **subject to an affordability restriction as described in ORS 456.270 to 456.295 for a term of no**
15 **less than 30 years for a household with income less than or equal to 120 percent of and**
16 **greater than 60 percent of the area median income.**

17 **SECTION 2. Land and predevelopment costs for moderate income housing.** (1) **The**
18 **Oregon Business Development Department shall provide grants to one or more nonprofit**
19 **organizations.**

20 (2) **The nonprofit must use the grant to develop a revolving fund that may be used only**
21 **to make loans for the acquisition of lands and the predevelopment costs, including costs of**
22 **planning, design, engineering and permitting, to develop moderate income housing.**

23 (3) **The term of a loan made under this section may not exceed five years.**

24 (4) **The department and state are not guarantors of any loan made by a nonprofit cor-**
25 **poration under this section.**

26 (5) **To be eligible for a grant under this section or section 3 of this 2023 Act, a nonprofit**
27 **corporation must:**

28 (a) **Be exempt from income taxes under section 501(c)(3) or (4) of the Internal Revenue**
29 **Code; and**
30

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (b) Demonstrate to the satisfaction of the department that the corporation is a commu-
2 nity development financial institution that operates statewide to support investment in the
3 construction of affordable housing.

4 **SECTION 3. Moderate income housing construction loan guarantee funds.** (1) The Oregon
5 Business Development Department shall provide grants to one or more nonprofit organiza-
6 tions to develop a fund.

7 (2) The moneys in the fund may be used only to guarantee the repayment of loans to fi-
8 nance the construction of moderate income housing.

9 (3) The term of a loan guaranteed under this section may not exceed five years.

10 (4) The department and the state are not guarantors of any loan guaranteed by a
11 nonprofit corporation under this section.

12 **SECTION 4. Factory-built housing production capacity.** (1) The Oregon Business Devel-
13 opment Department shall provide grants and loans to entities to begin or expand production
14 capacity for the development of modular housing and components to support home builders
15 and developers in meeting housing demand.

16 (2) The department shall establish a temporary advisory committee under ORS 285A.060
17 to advise the department on providing grants and loans under this section.

18 (3) The department shall establish the terms for any loans under this section. Proceeds
19 from loans must be deposited in the General Fund.

20 (4) Entities receiving loans or grants under this section must agree to terms established
21 by the department requiring that the entities prioritize supplying modular housing compo-
22 nents to meet demand from:

- 23 (a) First, state and local governments following a wildfire or other disaster;
- 24 (b) Second, low income housing construction in this state; and
- 25 (c) Third, moderate income housing construction in this state.

26 **SECTION 5. Sunset.** Sections 1 to 4 of this 2023 Act are repealed on January 2, 2026.

27 **SECTION 6. Appropriations.** In addition to and not in lieu of any other appropriation,
28 there is appropriated to the Oregon Business Development Department, for the biennium
29 beginning July 1, 2023, out of the General Fund, the amount of:

30 (1) \$20,000,000 to make loans and grants to support moderate income housing
31 infrastructure under section 1 of this 2023 Act.

32 (2) \$20,000,000 to provide grants to support land and predevelopment costs for moderate
33 income housing under section 2 of this 2023 Act.

34 (3) \$20,000,000 to provide grants for moderate income housing guarantee funds under
35 section 3 of this 2023 Act.

36 (4) \$20,000,000 to make loans and grants to entities to develop modular housing compo-
37 nent capacity under section 4 of this 2023 Act.

38 **SECTION 7. Captions.** The section captions used in this 2023 Act are provided only for
39 the convenience of the reader and do not become part of the statutory law of this state or
40 express any legislative intent in the enactment of this 2023 Act.

41 **SECTION 8. Effective date.** This 2023 Act takes effect on the 91st day after the date on
42 which the 2023 regular session of the Eighty-second Legislative Assembly adjourns sine die.