

SB 949 STAFF MEASURE SUMMARY

Senate Committee On Housing and Development

Prepared By: Kaia Maclaren, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/12

WHAT THE MEASURE DOES:

The measure directs the Housing and Community Services Department to establish a project developing affordable, mixed-use housing that integrates residential units with community services and commercial spaces. The measure specifies that this development should prioritize the needs of persons facing housing insecurity in the North and Northeast sections of Portland.

Detailed Summary:

Directs the Housing and Community Services Department (the Department) to establish a project (the project) to develop affordable, mixed-use housing that integrates residential units with community services and commercial spaces to serve individuals and families facing housing insecurity in the North and Northeast Portland metro area. Establishes the following objectives for the project:

- Strengthening existing wrap-around services from community-based organizations aimed at underserved youth;
- Promoting economic development; and
- Providing affordable housing options for 644 individuals.

Requires that the project utilize environmentally sustainable practices in construction and energy efficient design. Directs the Department to consult with Self Enhancement, Inc., and other stakeholders in establishing and effectuating the project. Appropriates \$10 million for the project from the general fund. Requires the Department to submit an annual report to the Legislature on the progress of the project consecutively for five years. Sunsets January 2, 2030. Declares an emergency, effective on passage.

Fiscal impact: May have fiscal impact, but no statement yet issued

Revenue impact: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon Housing and Community Services (OHCS) is Oregon's housing finance agency, responsible for program support and for distributing and overseeing funds provided by the State of Oregon. OHCS runs or oversees a variety of housing-stability programs, housing assistance for both renters and homeowners, development financing, and homelessness prevention, among others. The General Fund is a significant source of OHCS's budget, providing \$618.3 million of the total budget of \$3.4 billion in the 2023-2025 biennium. According to the 2023-2025 detailed budget analysis by the Legislative Fiscal Office (LFO), the sharp increase in housing prices, interest rates, and costs associated with development have driven housing insecurity among Oregonians while also having significant impacts of the growing budget needs of OHCS. According to LFO, "[OHCS]'s budget has increased by nearly \$1.4 billion total funds since the 2003-2005 biennium. The change reflects increases in population growth, economic factors ranging from interest rates and lending environments to recessions (driving

the need for additional housing assistance), and an increased focus on the contributions that stable housing can make to health outcomes, educational attainment, and lower levels of crime and recidivism.”