

## **HB 2316 -2 STAFF MEASURE SUMMARY**

### **House Committee On Housing and Homelessness**

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**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 2/10, 3/26, 4/2

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#### **WHAT THE MEASURE DOES:**

The measure creates a program called Home Start Lands to develop affordable housing on certain state and locally designated lands. It allows the state to identify unused public land and convert it into housing, while also letting local governments nominate eligible properties near urban areas. The measure creates a random lottery system will be created to give first-time homebuyers priority access to purchase these homes at fair market prices, with restrictions requiring them to live in the home for at least five years. The measure also provides a five-year property tax exemption on the land value. The measure requires the program to begin by 2027, with tax benefits available through 2034.

#### Detailed Summary:

##### **Definitions**

- Defines “Home Start Lands” as lands designated by the Oregon Department of Administrative Services or nominated by a local government under the provisions in sections two and three of the measure.
- Defines “Local government” as the governing body responsible for the land, specifying that it refers to a city for land within city boundaries and a county for all other lands outside city limits.

##### **State designation of Home Start Lands**

- Allows the Oregon Department of Administrative Services (DAS) to identify and designate state-owned lands that are not committed to permanent state use for housing development.
- Allows DAS to also identify real property owned by the state for exchange for real property of approximately equal aggregate value that will be designated as Home Start Lands after it confers with any state agency that owns, manages, operates or is authorized to act on behalf of the state regarding the real property.
- Exempts Home Start Lands from public lands laws governing the state or any agency’s use, management or operation of lands owned or operated by the state.
- Permits DAS to adopt rules to administer these provisions.

##### **Housing and Community Services Department designation of Home Start Lands**

- Permits the Oregon Housing and Community Services Department (OHCS) to designate real property as Home Start Lands if local governments and property owners have identified a plan or funding source that is substantially likely to increase the supply of affordable housing in this state.
- Permits local governments to nominate land for Home Start designation if the land is adjacent to an urban growth boundary, subject to an affordable housing covenant for at least 30 years, and has owner consent.
- Permits DAS to adopt rules to administer these provisions.

##### **Planning and uses of Home Start Lands**

- Restricts Home Start Lands to single-family housing development, with local governments allowed to adopt siting and development regulations.
- Exempts Home Start Lands from most land use regulations, including state land use planning laws, local comprehensive plans, and zoning rules, except for land division procedures.
- Requires local governments to approve or reject development applications for Home Start Lands within 100 days, with appeals limited to a writ of review.

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- Clarifies that an approval of such application becomes void four years after the date it is issued.

### Termination of Home Start Lands designation

- Terminates the designation of real property as Home Start Lands if the property has not received authorization from the local government to use the property for residential development; and if DAS, OHCS, or the local government has issued an order terminating the designation.

### State housing development on Home Start Lands

- Directs the Oregon Department of Administrative Services to develop Home Start Lands by preparing the land, installing infrastructure, and constructing single-family housing.
- Prohibits Home Start Lands from being included in planned communities and require open spaces or infrastructure areas to remain publicly owned.

### State housing portal and lottery

- Establishes an online portal for first-time homebuyers to register for purchasing homes on Home Start Lands.
- Directs DAS to create and maintain portal by January 1, 2027.
- Establishes a random lottery system to assign priority numbers to eligible buyers of housing on Home Start Lands.
- Sets eligibility criteria for lottery participation, requiring applicants to be Oregon residents, first-time homebuyers, and have a qualifying income.
- Directs DAS to administer lottery program and to assign first priority numbers by July 1, 2027.

### Conveying state owned dwellings on Home Start Lands

- Establishes a structured process for selling state-built homes, including setting fair market prices, and offering properties to lottery participants based on their assigned priority number.

### Occupancy requirements for dwellings sold by state

- Mandates that buyers use the home as their primary residence for at least five years, with an option for the state to repurchase the home at the original price if the buyer fails to comply.

### Property taxes for dwellings on Home Start Lands

- Provides property tax relief for first-time homebuyers on Home Start Lands, exempting the land's real market value from taxation for five years.
- Applies property tax exemptions starting with the 2028 tax year and ending in 2034.
- Restarts the five-year property tax exemption if a property is repurchased by the state and resold under the Home Start program.

*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:

-2 Replaces the measure.

Designates certain state real property as Home Start Lands, specifies planning and uses of Home Start Lands.

#### BACKGROUND:

Many states offer varying forms of assistance to first-time and low-income homebuyers. Assistance often includes low down payment home loans with competitive mortgage rates, tax credits, and down payment assistance. For example, the [Washington State Housing Finance Commission's Home Advantage](#) provides down payment assistance and loan options to meet the needs of a variety of buyers. The [California Housing Finance Agency](#) offers

conventional and government-backed mortgages that can be combined with deferred down payment loans. Additionally, the federal government supports Community Land Trusts (CLTs), which are nonprofit organizations that acquire and hold land to provide affordable housing opportunities. CLTs offer long-term, renewable leases to low-income families, ensuring lasting affordability and community control. As of 2024, there are 308 CLTs across 48 states, Washington D.C., and Puerto Rico.