

## **HB 2316 A -A6 STAFF MEASURE SUMMARY**

### **House Committee On Revenue**

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**Prepared By:** Beau Olen, Economist

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

**Meeting Dates:** 5/15, 5/27

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

Establishes the Home Start Lands Fund (HSLF), a revolving fund to provide loans and grants to develop affordable single-family, cottage clusters, and middle housing on Home Start lands. Allows the Department of Administrative Services to sell, transfer, or lease state-owned and locally nominated lands designated by the department as Home Start lands. Requires the department to credit the net proceeds of Home Start land sales, transfers, and leases to the HSLF. Exempts Home Start lands from property tax for up to five years, including lands held or leased by a taxable owner. Requires construction of affordable housing on Home Start lands to qualify for the land exemption after the second year. Requires Home Start lands to be subject to an affordable housing covenant for at least 30 years and allows housing developed on these lands to be part of a planned community.

#### **ISSUES DISCUSSED:**

- State revolving fund
- Affordable housing
- Area median income definition
- Underutilized public land

#### **EFFECT OF AMENDMENT:**

-A6 Clarifies that the density of residential uses on Home Start lands must abide by local zoning laws. Allows appraisers certified or licensed by the state to conduct the real property appraisals necessary for the department to sell, transfer, or lease Home Start lands. Clarifies how grants and loans may be made to purchasers or lessees and how grants may be made to cities for the public services necessary for residents on Home Start lands.

#### **BACKGROUND:**

The State of Oregon owns about 1.8 million acres of land on 10,600 tax lots. About 98 percent of the land is managed by the Department of State Lands (44 percent), Department of Forestry (40 percent), Department of Fish and Wildlife (8 percent), Parks and Recreation Department (5 percent), and public universities (1 percent). State-owned lands currently serve a variety of purposes. For example, for lands managed by the Department of State Lands, proceeds from leases, easements, and other authorizations to use school lands are credited to the Common School Fund.

Land burdened by an affordable housing covenant which requires housing to be affordable for low- and moderate-income households for at least 99 years is exempt from property tax. Improvements on the land must be owner-occupied housing, or the land may be held for a reasonable period if owner-occupied housing will be built on the land. For owner-occupied condominium units burdened by an affordable housing covenant, 27 percent of the assessed value is exempt from property tax. The exemption does not have a sunset date.