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WAYS AND MEANS

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To: Capital Construction Subcommittee
From: Kim To, Legislative Fiscal Office
Date: June 24, 2025
Subject: HB 2316 – Relating to lands designated for housing
Work Session Recommendations

The measure requires the Department of Administrative Services (DAS) to work with state agencies and local government to implement a program to identify and designate certain state-owned and locally nominated lands within the urban growth boundary as Home Start Lands or land suitable for affordable housing development. The measure exempts Home Start Lands from certain land use laws and property taxes for up to five years.

The measure authorizes DAS to facilitate the sale, transfer, or lease of property designated as Home Start Lands to housing developers to build single-family, cottage clusters, and middle housing for low- or moderate-income households. DAS is permitted to provide grants and loans to purchasers or lessees of Home Start Lands for development of affordable housing. DAS may also provide grants and loans to cities to provide public services, including infrastructure, law enforcement, or firefighting services.

The measure establishes the Home Start Lands Fund. Proceeds, less costs, of property sold by DAS as Home Start Lands shall be deposited into the Fund. Moneys in the Fund will be continuously appropriated to DAS to implement this program and to provide loans and grants to develop affordable housing and provide public services for residents on Home Start Lands.

Fiscal, revenue, and open government impact statements are available on the Oregon Legislative Information System.

To stand up the proposed program, DAS would need two permanent full-time positions (1.75 FTE), including one Operations and Policy Analyst 3 to develop rulemaking, execute real estate contracts, and manage disbursement processes for capital improvements; and one Administrative Specialist 1 to maintain the program database and provide administrative support. The estimated cost of these positions, including position-related services and supplies,

is \$459,665 in the 2025-27 biennium. In addition, DAS would incur an estimated \$350,000 for legal services from the Department of Justice and \$50,000 for real estate appraisals on designated lands. In the 2027-29 biennium, the estimated fiscal impact is \$459,665, which is the cost of the two permanent positions.

The -B9 amendment appropriates \$859,665 General Fund, on a one-time basis, to the Department of Administrative Services for the 2025-27 biennium for start-up costs associated with implementing this program. The -B9 amendment also specifies that the measure takes effect on the 91st day after the date on which the 2025 session adjourns sine die.

Amendment

LFO recommends adoption of the –B9 amendment.

MOTION: I move adoption of the –B9 amendment to HB 2316. (vote)

Final Subcommittee Action

LFO recommends that HB 2316, as amended by the –B9 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 2316, as amended, to the Full Committee with a do pass recommendation. (vote)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____