

HB 3090 A STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

Action Date: 03/10/25

Action: Do pass with amendments and be referred to Ways and Means by prior reference.
(Printed A-Eng.)

Vote: 10-0-2-0

Yeas: 10 - Andersen, Dobson, Fragala, Gamba, Helfrich, Javadi, Levy E, Mannix, Marsh, Sosa

Exc: 2 - Breese-Iverson, Edwards

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 2/19, 3/10

WHAT THE MEASURE DOES:

The measure directs the Oregon Housing and Community Services Department (OHCS) to amend the homeownership development incubator program to ensure it funds the development of housing for households that earn up to 120 percent of the area median income and offers predevelopment funding for housing developers. The measure appropriates \$16,900,000 from the General Fund to OHCS to amend the program and permits OHCS to adopt rules as necessary.

ISSUES DISCUSSED:

- Homeownership development incubator program history and funding status
- Incubator program impacts

EFFECT OF AMENDMENT:

Modifies appropriation amount to \$16,900,000.

BACKGROUND:

The Homeownership Development Incubator Program (HDIP) was established in 2022 with General Fund moneys to expand access to affordable homeownership opportunities for low- to moderate-income families in Oregon. HDIP provides financial support to developers aligned with the Statewide Housing Plan's priorities, including the Rural Communities, Homeownership, and Equity and Racial Justice priorities. HDIP aims to create new affordable housing options tailored to local needs, which include first-generation homebuyers, communities of color, Tribal nation members, individuals with disabilities, and residents of rural areas.

To expand Oregon's affordable housing supply, HDIP funds can be used for new construction, conversion of existing structures into affordable homes, capacity building for developers, and increasing homeownership among Tribal communities and related entities. Funding is available in the form of grants and loans. OHCS distributes funds through a competitive process via Notices of Funding Availability (NOFAs).

- The Supplemental Local Innovation and Fast Track (LIFT) Grants support projects that qualify for LIFT loans but require additional subsidies, ensuring affordability for households earning 80 percent or less of the Area Median Income (AMI).
- Development Subsidies offer funding for projects that do not qualify for LIFT, providing grants to nonprofit developers and low-interest loans to for-profit developers to build or convert homes that remain affordable to buyers earning up to 120 percent of AMI.
- Tribal and Sovereign Nations Grants assist in developing affordable homes, home repairs, and down payment assistance initiatives.

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- Pre-development & Capacity Building Grants support both new and existing developers to strengthen their ability to participate in housing development and access OHCS funding.

HDIP is open to nonprofit organizations, for-profit developers, public housing agencies, and federally recognized Tribes or Tribally designated housing entities. Affordability requirements vary by funding type, ensuring that homes supported through Supplemental LIFT Grants remain accessible to households earning 80 percent or less of AMI, while homes built with Development Subsidies are affordable to those earning up to 120 percent of AMI.