

SB 48-3
(LC 1026)
3/24/25 (RLM/ASD/ps)

Requested by SENATE COMMITTEE ON HOUSING AND DEVELOPMENT

**PROPOSED AMENDMENTS TO
SENATE BILL 48**

On page 1 of the printed bill, line 2, after the semicolon delete the rest of the line and delete line 3 and insert “creating new provisions; amending ORS 215.427 and 227.178 and sections 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 39, 49, 52, 55, 57 and 58, chapter 110, Oregon Laws 2024; and prescribing an effective date.”.

On page 5, delete lines 32 through 45.

On page 6, delete lines 1 through 9 and insert:

“SECTION 3. Section 39, chapter 110, Oregon Laws 2024, is amended to read:

“Sec. 39. (1) A local government may apply to the Housing Accountability and Production Office for an exemption to section 38, **chapter 110, Oregon Laws 2024**, [of *this 2024 Act*] only as provided in this section. After [the] **an initial** application is made, section 38, **chapter 110, Oregon Laws 2024**, [of *this 2024 Act*] does not apply to the applicant until the office denies the **initial** application or revokes the exemption.

“(2) To qualify for an exemption under this section, the local government must demonstrate that:

“(a) The local government reviews requested design and development adjustments for all applications for the development of housing that are under the jurisdiction of that local government;

“(b) All listed development and design adjustments under section 38 (4)

1 and (5), **chapter 110, Oregon Laws 2024**, [*of this 2024 Act*] are eligible for
2 an adjustment under the local government's process; and

3 “(c)(A) Within the previous five years the city has approved 90 percent
4 of received adjustment requests; or

5 “(B) The adjustment process is flexible and accommodates project needs
6 as demonstrated by testimonials of housing developers who have utilized the
7 adjustment process within the previous five years.

8 “(3) Upon receipt of an application under this section, the office shall
9 allow for public comment on the application for a period of no less than 45
10 days. The office shall enter a final order on the adjustment exemption within
11 120 days of receiving the application. The approval of an application may
12 not be appealed.

13 “(4) In approving an exemption, the office may establish conditions of
14 approval requiring that the city demonstrate that it continues to meet the
15 criteria under subsection (2) of this section.

16 “(5) Local governments with an approved or pending exemption under this
17 section shall clearly and consistently notify applicants, including prospective
18 applicants seeking to request an adjustment, that are engaged in housing
19 development:

20 “(a) That the local government is employing a local process in lieu of
21 section 38, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*];

22 “(b) Of the development and design standards for which an applicant may
23 request an adjustment in a housing development application; and

24 “(c) Of the applicable criteria for the adjustment application.

25 “(6) In response to a complaint and following an investigation, the office
26 may issue an order revoking an exemption issued under this section if the
27 office determines that the local government is:

28 “(a) Not approving adjustments as required by the local process or the
29 terms of the exemption;

30 “(b) Engaging in a pattern or practice of violating housing-related stat-

utes or implementing policies that create unreasonable cost or delays to housing production under ORS 197.320 (13)(a); or

“(c) Failing to comply with conditions of approval adopted under subsection (4) of this section.

“SECTION 4. Section 49, chapter 110, Oregon Laws 2024, is amended to read:

“Sec. 49. As used in sections 49 to 59, **chapter 110, Oregon Laws 2024** [of this 2024 Act]:

“(1) ‘Net residential acre’ means an acre of residentially designated buildable land, not including rights of way for streets, roads or utilities or areas not designated for development due to natural resource protections or environmental constraints.

“(2) ‘Site’ means a lot or parcel or [contiguous lots or parcels, or both,] **any combination of lots and parcels that are contiguous or separated from one another by a street or road** with or without common ownership.

“SECTION 5. Section 52, chapter 110, Oregon Laws 2024, is amended to read:

“Sec. 52. A city may not add, or petition to add, a site under sections 49 to 59, **chapter 110, Oregon Laws 2024** [of this 2024 Act], unless:

“(1) The city has demonstrated a need for additional land based on the following factors:

“(a)(A) In the previous 20 years there have been no urban growth boundary expansions for residential use adopted by a city or by Metro in a location adjacent to the city; and

“(B) The city does not have within the existing urban growth boundary [an undeveloped, contiguous tract that is zoned for residential use that is larger than 20 net residential acres] **a tract that:**

“(i) Is larger than 20 net residential acres;

“(ii) Is undeveloped;

“(iii) Consists of one or more lots or parcels with or without com-

1 **mon ownership and that abut each other or are separated by only a**
2 **street or a road; or**

3 “(b) Within urban growth boundary expansion areas for residential use
4 adopted by the city over the previous 20 years, or by Metro in locations ad-
5 jacent to the city, 75 percent of the lands either:

6 “(A) Are developed; or

7 “(B) Have an acknowledged comprehensive plan with land use desig-
8 nations in preparation for annexation and have a public facilities plan and
9 associated financing plan.

10 “(2) The city has demonstrated a need for affordable housing, based on:

11 “(a) Having a greater percentage of severely cost-burdened households
12 than the average for this state based on the Comprehensive Housing
13 Affordability Strategy data from the United States Department of Housing
14 and Urban Development; or

15 “(b) At least 25 percent of the renter households in the city being severely
16 rent burdened as indicated under the most recent housing equity indicator
17 data under ORS 456.602 (2)(g).

18 “(3) **The evaluation of the demonstrations required under this sec-**
19 **tion and the evaluation of criteria in an application under sections 49**
20 **to 59, chapter 110, Oregon Laws 2024, must be based on the evidence,**
21 **data and factors as of the time a public notice is issued under section**
22 **53 (1), chapter 110, Oregon Laws 2024.**

23 “**SECTION 6.** Section 55, chapter 110, Oregon Laws 2024, is amended to
24 read:

25 “**Sec. 55.** (1) As used in this section:

26 “(a) ‘Affordable units’ means residential units described in subsection
27 (3)(f)(A) or (4) of this section.

28 “(b) ‘Market rate units’ means residential units other than affordable
29 units.

30 “(2) Before adopting an urban growth boundary amendment under section

1 50, **chapter 110, Oregon Laws 2024**, [of this 2024 Act] or petitioning Metro
2 under section 51, **chapter 110, Oregon Laws 2024** [of this 2024 Act], for a
3 site larger than 15 net residential acres, a city shall adopt a binding con-
4 ceptual plan as an amendment to its comprehensive plan.

5 “(3) The conceptual plan must:

6 “(a) Establish the total net residential acres within the site and must re-
7 quire for those residential areas:

8 “(A) A diversity of housing types and sizes, including middle housing,
9 accessible housing and other needed housing;

10 “(B) That the development will be on lands zoned for residential or
11 mixed-use residential uses; and

12 “(C) The development will be built at net residential densities not less
13 than:

14 “(i) Seventeen dwelling units per net residential acre if sited within the
15 Metro urban growth boundary;

16 “(ii) Ten units per net residential acre if sited in a city with a population
17 of 30,000 or greater;

18 “(iii) Six units per net residential acre if sited in a city with a population
19 of 2,500 or greater and less than 30,000; or

20 “(iv) Five units per net residential acre if sited in a city with a population
21 less than 2,500;

22 “(b) Designate within the site:

23 “(A) Recreation and open space lands; and

24 “(B) Lands for commercial uses, either separate or as a mixed use, that:

25 “(i) Primarily serve the immediate surrounding housing;

26 “(ii) Provide goods and services at a smaller scale than provided on typ-
27 ical lands zoned for commercial use; and

28 “(iii) Are provided at the minimum amount necessary to support and in-
29 tegrate viable commercial and residential uses;

30 “(c) If the city has a population of 5,000 or greater, include a transpor-

1 tation network for the site that provides diverse transportation options, in-
2 cluding walking, bicycling and transit use if public transit services are
3 available, as well as sufficient connectivity to existing and planned trans-
4 portation network facilities as shown in the local government's transporta-
5 tion system plan as defined in Land Conservation and Development
6 Commission rules;

7 “(d) Demonstrate that protective measures will be applied to the site
8 consistent with the statewide land use planning goals for:

9 “(A) Open spaces, scenic and historic areas or natural resources;

10 “(B) Air, water and land resources quality;

11 “(C) Areas subject to natural hazards;

12 “(D) The Willamette River Greenway;

13 “(E) Estuarine resources;

14 “(F) Coast shorelands; or

15 “(G) Beaches and dunes;

16 “(e) Include [*a binding agreement*] **assurances that the site will be**
17 **served with all necessary urban services as defined in ORS 195.065, in-**
18 **cluding through:**

19 “(A) **Agreements** among the city, each owner within the site and any
20 other necessary public or private utility provider, local government or dis-
21 trict, as defined in ORS 195.060, or combination of local governments and
22 districts [*that the site will be served with all necessary urban services as de-*
23 *fined in ORS 195.065, or an equivalent assurance; and*];

24 “(B) **Letters from utility providers showing a capacity and willing-**
25 **ness to provide services; or**

26 “(C) **Equivalent assurances; and**

27 “(f) Include requirements that ensure that:

28 “(A) At least 30 percent of the residential units are subject to
29 affordability restrictions, including but not limited to affordable housing
30 covenants, as described in ORS 456.270 to 456.295, that require for a period

1 of not less than 60 years that the units be:

2 “(i) Available for rent, with or without government assistance, by house-
3 holds with an income of 80 percent or less of the area median income as
4 defined in ORS 456.270; or

5 “(ii) Available for purchase, with or without government assistance, by
6 households with an income of 130 percent or less of the area median income;

7 “(B) The construction of all affordable units has commenced before the
8 city issues certificates of occupancy to the last 15 percent of market rate
9 units;

10 “(C) All common areas and amenities are equally available to residents
11 of affordable units and of market rate units and properties designated for
12 affordable units are dispersed throughout the site; and

13 “(D) The requirement for affordable housing units is recorded before the
14 building permits are issued for any property within the site, and the re-
15 quirements contain financial penalties for noncompliance.

16 “(4) A city may require greater affordability requirements for residential
17 units than are required under subsection (3)(f)(A) of this section, provided
18 that the city significantly and proportionally offsets development costs re-
19 lated to:

20 “(a) Permits or fees;

21 “(b) System development charges;

22 “(c) Property taxes; or

23 “(d) Land acquisition and predevelopment costs.

24 “**SECTION 7.** Section 57, chapter 110, Oregon Laws 2024, is amended to
25 read:

26 “**Sec. 57.** (1) Within 21 days after the adoption of an amendment to an
27 urban growth boundary or the adoption or amendment of a conceptual plan
28 under sections 49 to 59, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*],
29 and the approval by a county if required under section 50 (2), **chapter 110,**
30 **Oregon Laws 2024** [*of this 2024 Act*], the conceptual plan or amendment

1 must be submitted to the Department of Land Conservation and Development
2 for review. The submission must be made by:

3 “(a) The city, for an amendment under section 50 or 58, **chapter 110,**
4 **Oregon Laws 2024** [*of this 2024 Act*]; or

5 “(b) Metro, for an amendment under section 51 or 58, **chapter 110,**
6 **Oregon Laws 2024** [*of this 2024 Act*].

7 “(2) Within 60 days after receiving a submittal under subsection (1) of this
8 section, the department shall:

9 “(a) Review the submittal for compliance with the provisions of sections
10 49 to 59, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*].

11 “(b)(A) If the submittal substantially complies with the provisions of
12 sections 49 to 59, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*], issue
13 an order approving the submittal; or

14 “(B) If the submittal does not substantially comply with the provisions
15 of sections 49 to 59, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*], issue
16 an order remanding the submittal to the city or to Metro with a specific
17 determination of deficiencies in the submittal and with sufficient detail to
18 identify a specific remedy for any deficiency in a subsequent resubmittal.

19 “(3) If a conceptual plan is remanded to Metro under subsection (2)(b) of
20 this section:

21 “(a) The department shall notify the city; and

22 “(b) The city may amend its conceptual plan and resubmit a petition to
23 Metro under section 51, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*].

24 “(4) Judicial review of the department’s order:

25 “(a) Must be as a review of orders other than a contested case under ORS
26 183.484; and

27 “(b) May be initiated only by the city or an owner of a proposed site **that**
28 **was submitted to the department.**

29 “(5) Following the approval of a submittal under this section, a local
30 government must include the added lands in any future inventory of

1 buildable lands or determination of housing capacity under ORS 197A.270,
2 197A.280, 197A.335 or 197A.350.”.

3 In line 10, delete “4” and insert “8”.

4 After line 35, insert:

5 **“SECTION 9. Section 10 of this 2025 Act is added to and made a part**
6 **of sections 24 to 35, chapter 110, Oregon Laws 2024.**

7 **“SECTION 10. (1)(a) For purposes of sections 24 to 35, chapter 110,**
8 **Oregon Laws 2024, a sponsoring jurisdiction may enter into an agency**
9 **loan agreement with the Housing and Community Services Depart-**
10 **ment under section 28, chapter 110, Oregon Laws 2024, under which the**
11 **sponsoring jurisdiction pledges its full faith and credit and taxing au-**
12 **thority and any alternative source of revenue, other than the fee**
13 **payable under section 32, chapter 110, Oregon Laws 2024, that is ac-**
14 **ceptable to the department in repayment of the total amount as de-**
15 **termined under section 28 (2), chapter 110, Oregon Laws 2024.**

16 **“(b) Amounts received in repayment of a project loan made under**
17 **section 28, chapter 110, Oregon Laws 2024, shall be considered an al-**
18 **ternative source of revenue subject to this subsection.**

19 **“(2) Notwithstanding section 30, chapter 110, Oregon Laws 2024, eli-**
20 **gible housing project property to which an agency loan agreement**
21 **entered into on the terms set forth in subsection (1) of this section**
22 **relates:**

23 **“(a) Is not eligible for the property tax exemption under section 30,**
24 **chapter 110, Oregon Laws 2024.**

25 **“(b) May be granted any property tax limit, exemption or partial**
26 **exemption, special assessment, credit or deferral for which the eligible**
27 **housing project property is eligible other than the exemption described**
28 **in paragraph (a) of this subsection.**

29 **“(3) A sponsoring jurisdiction may award project funding to a de-**
30 **veloper under section 26, chapter 110, Oregon Laws 2024, for an eligible**

1 housing project to which an agency loan agreement entered into on
2 the terms set forth in subsection (1) of this section relates that is lo-
3 cated in an urban renewal area in accordance with the provisions of
4 ORS chapter 457.

5 “(4) Amounts received by the department in repayment of an
6 agency loan entered into on the terms set forth in subsection (1) of
7 this section shall be deposited in the Housing Project Revolving Loan
8 Fund established under section 35, chapter 110, Oregon Laws 2024.

9 “(5) A developer awarded project funding under section 26, chapter
10 110, Oregon Laws 2024, from a sponsoring jurisdiction that has entered
11 into an agency loan agreement on the terms set forth in subsection
12 (1) of this section is not liable for payment of a fee under section 32,
13 chapter 110, Oregon Laws 2024, with respect to the eligible housing
14 project for which the project funding was awarded.

15 “SECTION 11. Section 24, chapter 110, Oregon Laws 2024, is amended to
16 read:

17 “**Sec. 24.** As used in sections 24 to 35, chapter 110, Oregon Laws 2024
18 [*of this 2024 Act*]:

19 “(1) ‘Agency loan’ means a loan made by the Housing and Commu-
20 nity Services Department pursuant to a program adopted under sec-
21 tion 28, chapter 110, Oregon Laws 2024.

22 “[*(1)*] (2) ‘Assessor,’ ‘tax collector’ and ‘treasurer’ mean the individual
23 filling that county office so named or any county officer performing the
24 functions of the office under another name.

25 “[*(2)*] (3) ‘County tax officers’ and ‘tax officers’ mean the assessor, tax
26 collector and treasurer of a county.

27 “[*(3)*] (4) ‘Eligible costs’ means the following costs associated with an el-
28 igible housing project:

29 “(a) Infrastructure costs, including, but not limited to, system develop-
30 ment charges;

1 “(b) Predevelopment costs;

2 “(c) Construction costs; and

3 “(d) Land write-downs.

4 “[4)] (5) ‘Eligible housing project’ means a project to construct housing,
5 or to convert a building from a nonresidential use to housing, that is:

6 “(a) Affordable to households with low income or moderate income as
7 those terms are defined in ORS 458.610;

8 “(b) If for-sale property, a single-family dwelling, middle housing as de-
9 fined in ORS 197A.420 or a multifamily dwelling that is affordable as de-
10 scribed in paragraph (a) of this subsection continuously from initial sale for
11 a period, to be established by the Housing and Community Services Depart-
12 ment and the sponsoring jurisdiction, of not less than the term of the **agency**
13 loan related to the for-sale property; or

14 “(c) If rental property:

15 “(A)(i) Middle housing as defined in ORS 197A.420;

16 “(ii) A multifamily dwelling;

17 “(iii) An accessory dwelling unit as defined in ORS 215.501; or

18 “(iv) Any other form of affordable housing or moderate income housing;
19 and

20 “(B) Rented at a monthly rate that is affordable to households with an
21 annual income not greater than 120 percent of the area median income, such
22 affordability to be maintained for a period, to be established by the depart-
23 ment and the sponsoring jurisdiction, of not less than the term of the **agency**
24 loan related to the rental property.

25 “[5)] (6) ‘Eligible housing project property’ means the taxable real and
26 personal property constituting the improvements of an eligible housing
27 project.

28 “[6)] (7) ‘Fee payer’ means, for any property tax year, the person re-
29 sponsible for paying ad valorem property taxes on eligible housing project
30 property to which a **project** grant awarded under section 29, **chapter 110,**

1 **Oregon Laws 2024**, [*of this 2024 Act*] relates.

2 “[~~(7)~~] (8) ‘Fire district taxes’ means property taxes levied by fire districts
3 within whose territory all or a portion of eligible housing project property
4 is located.

5 “[~~(8)~~] (9) ‘Nonexempt property’ means property other than eligible housing
6 project property in the tax account that includes eligible housing project
7 property.

8 “[~~(9)~~] (10) ‘Nonexempt taxes’ means the ad valorem property taxes as-
9 sessed on nonexempt property.

10 **“(11) ‘Project funding’ means a project grant or a project loan.**

11 **“(12) ‘Project funding agreement’ means an agreement entered into
12 between a sponsoring jurisdiction and a developer under section 29,
13 chapter 110, Oregon Laws 2024, for a project grant or a project loan.**

14 **“(13) ‘Project grant’ means a grant awarded by a sponsoring juris-
15 diction under a project funding program adopted pursuant to section
16 25, chapter 110, Oregon Laws 2024.**

17 **“(14) ‘Project loan’ means a loan made by a sponsoring jurisdiction
18 under a project funding program adopted pursuant to section 25,
19 chapter 110, Oregon Laws 2024.**

20 “[~~(10)~~] (15) ‘Sponsoring jurisdiction’ means:

21 “(a)(A) A city with respect to eligible housing projects located within the
22 city boundaries; or

23 “(B) A county with respect to eligible housing projects located in urban
24 unincorporated areas of the county; or

25 “(b) The governing body of a city or county described in paragraph (a)
26 of this subsection.

27 **“SECTION 12. Section 25, chapter 110, Oregon Laws 2024, is amended to
28 read:**

29 **“Sec. 25. (1)(a) A sponsoring jurisdiction may adopt by ordinance or re-
30 solution a **project funding** program under which the sponsoring jurisdiction**

1 awards **project** grants **and makes project loans** to developers for eligible
2 costs.

3 “(b) Before adopting the **project funding** program, the sponsoring juris-
4 diction shall consult with the governing body of any city or county with
5 territory inside the boundaries of the sponsoring jurisdiction.

6 “(2) The ordinance or resolution shall set forth:

7 “(a) The kinds of eligible housing projects for which a developer may seek
8 [a grant] **project funding** under the program; and

9 “(b) Any eligibility requirements to be imposed on projects and developers
10 in addition to those required under sections 24 to 35, **chapter 110, Oregon**
11 **Laws 2024** [of this 2024 Act].

12 “(3) A [grant award] **project grant and a project loan**:

13 “(a) Shall be in the amount determined under section 26 (3), **chapter 110,**
14 **Oregon Laws 2024** [of this 2024 Act]; and

15 “(b) May include reimbursement for eligible costs incurred for up to 12
16 months preceding the date on which the eligible housing project received
17 local site approval.

18 “(4)(a) Eligible housing project property for which a developer receives
19 a **project** grant for eligible costs may not be granted any exemption, partial
20 exemption or special assessment of ad valorem property taxes other than the
21 exemption granted under section 30 [of this 2024 Act], **chapter 110, Oregon**
22 **Laws 2024**.

23 “(b) A sponsoring jurisdiction may not award a project grant to a
24 developer under section 26, chapter 110, Oregon Laws 2024, for an eli-
25 gible housing project that is located in an urban renewal area.

26 “(5) A sponsoring jurisdiction may amend an ordinance or resolution
27 adopted pursuant to this section at any time. The amendments shall apply
28 only to applications submitted under section 26, **chapter 110, Oregon Laws**
29 **2024**, [of this 2024 Act] on or after the effective date of the ordinance or re-
30 solution.

1 **“SECTION 13.** Section 26, chapter 110, Oregon Laws 2024, is amended to

2 read:

3 **“Sec. 26.** (1)(a) A sponsoring jurisdiction that adopts a [*grant*] **project**
4 **funding** program pursuant to section 25, **chapter 110, Oregon Laws 2024,**
5 [*of this 2024 Act*] shall prescribe an application process, including forms and
6 deadlines, by which a developer may apply for [*a grant*] **project funding**
7 with respect to an eligible housing project.

8 “(b) An application for [*a grant*] **project funding** must include, at a
9 minimum:

10 “(A) A description of the eligible housing project;

11 “(B) A detailed explanation of the affordability of the eligible housing
12 project;

13 “(C) An itemized description of the eligible costs for which the [*grant*]
14 **project funding** is sought;

15 “(D) The proposed schedule for completion of the eligible housing project;

16 “(E) A project pro forma demonstrating that the project would not be
17 economically feasible but for receipt of the [*grant*] **project funding** moneys;
18 and

19 “(F) Any other information, documentation or attestation that the spon-
20 soring jurisdiction considers necessary or convenient for the application re-
21 view process.

22 “(c)(A) The project pro forma under paragraph (b)(E) of this subsection
23 shall be on a form provided to the sponsoring jurisdiction by the Housing
24 and Community Services Department and made available to grant applicants.

25 “(B) The department may enter into an agreement with a third party to
26 develop the project pro forma template.

27 “(2)(a) The review of an application under this section shall be completed
28 within 90 days following the receipt of the application by the sponsoring
29 jurisdiction.

30 “(b) Notwithstanding paragraph (a) of this subsection:

1 “(A) The sponsoring jurisdiction may in its sole discretion extend the re-
2 view process beyond 90 days if the volume of applications would make timely
3 completion of the review process unlikely.

4 “(B) The sponsoring jurisdiction may consult with a developer about the
5 developer’s application, and the developer, after the consultation, may amend
6 the application on or before a deadline set by the sponsoring jurisdiction.

7 “(3) The sponsoring jurisdiction shall:

8 “(a) Review each application;

9 “(b) **Provide the tax officers of the county in which the eligible**
10 **housing project property is located with the estimated real market**
11 **value and tax lot information of the property;**

12 “[*(b)*] (c) Request that the county tax officers provide to the sponsoring
13 jurisdiction the [*amounts*] **increment** determined under section 27, **chapter**
14 **110, Oregon Laws 2024** [*of this 2024 Act*];

15 “[*(c)*] (d) Set the term of the **agency** loan that will fund the [*grant*]
16 **project funding** award for a period not to exceed the greater of:

17 “(A) Ten years following July 1 of the first property tax year for which
18 the completed eligible housing project property is estimated to be taken into
19 account; or

20 “(B) If agreed upon by the sponsoring jurisdiction and the department, the
21 period required for the **agency** loan principal, and fees, **if any**, to be repaid
22 in full;

23 “[*(d)*] (e) Set the amount of the [*grant*] **project funding** that may be
24 awarded to the developer under section 29 (2) [*of this 2024 Act*], **chapter 110,**
25 **Oregon Laws 2024**, by multiplying the increment determined under **section**
26 **27, chapter 110, Oregon Laws 2024**, [*section 27 (1)(c) of this 2024 Act*] by
27 the term of the **agency** loan; and

28 “[*(e)(A)*] (f)(A) Provisionally approve the application as submitted;

29 “(B) Provisionally approve the application on terms other than those re-
30 quested in the application; or

1 “(C) Reject the application.

2 “(4)(a) The sponsoring jurisdiction shall forward provisionally approved
3 applications to the Housing and Community Services Department.

4 “(b) The department shall review the provisionally approved applications
5 for completeness, including, but not limited to, the completeness of the
6 project pro forma submitted with the application under subsection (1)(b)(E)
7 of this section and the [amounts] **increment** computed under **section 27,**
8 **chapter 110, Oregon Laws 2024,** [section 27 (1) of this 2024 Act] and notify
9 the sponsoring jurisdiction of its determination.

10 “(5)(a) If the department has determined that a provisionally approved
11 application is incomplete, the sponsoring jurisdiction may:

12 “(A) Consult with the applicant developer and reconsider the provi-
13 sionally approved application after the applicant revises it; or

14 “(B) Reject the provisionally approved application.

15 “(b) If the department has determined that a provisionally approved ap-
16 plication is complete, the approval shall be final.

17 “(c) The sponsoring jurisdiction shall notify each applicant and the de-
18 partment of the final approval or rejection of an application and the amount
19 of the [grant] **project funding** award.

20 “(d) The rejection of an application and the amount of a grant award may
21 not be appealed, but a developer may reapply for [a grant] **project funding**
22 at any time within the applicable deadlines of the [grant] **project funding**
23 program for the same or another eligible housing project.

24 “(6) Upon request by a sponsoring jurisdiction, the department may assist
25 the sponsoring jurisdiction with, or perform on behalf of the sponsoring ju-
26 risdiction, any duty required under this section.

27 **“SECTION 14.** Section 27, chapter 110, Oregon Laws 2024, is amended to
28 read:

29 **“Sec. 27.** (1) Upon request of the sponsoring jurisdiction under **section**
30 **26 (3)(c), chapter 110, Oregon Laws 2024** [section 26 (3)(b) of this 2024

1 Act], the assessor of the county in which is located the eligible housing
2 project to which an application being reviewed under section 26, **chapter**
3 **110, Oregon Laws 2024**, [of this 2024 Act] relates shall:

4 “(a) Using the last certified assessment roll for the property tax year in
5 which the application is received under section 26, **chapter 110, Oregon**
6 **Laws 2024** [of this 2024 Act]:

7 “(A) Determine the amount of property taxes assessed against all tax ac-
8 counts that include the eligible housing project property; and

9 “(B) Subtract the amount of operating taxes as defined in ORS 310.055 and
10 local option taxes as defined in ORS 310.202 levied by fire districts from the
11 amount determined under subparagraph (A) of this paragraph.

12 “(b) For the first property tax year for which the completed eligible
13 housing project property is estimated to be taken into account:

14 “(A) Determine the estimated amount of property taxes that will be as-
15 sessed against all tax accounts that include the eligible housing project
16 property; and

17 “(B) Subtract the estimated amount of operating taxes and local option
18 taxes levied by fire districts from the **estimated** amount determined under
19 subparagraph (A) of this paragraph.

20 “(c) Determine the amount of the increment that results from subtracting
21 the amount determined under subsection (1)(a) of this section from the **esti-**
22 **mated** amount determined under subsection (1)(b) of this section.

23 “(2) As soon as practicable after determining [amounts] **the increment**
24 under this section, the county tax officers shall provide written notice **of the**
25 **increment** to the sponsoring jurisdiction [of the amounts].

26 “**SECTION 15.** Section 28, chapter 110, Oregon Laws 2024, is amended to
27 read:

28 “**Sec. 28.** (1)(a) The Housing and Community Services Department shall
29 develop a program to make **agency** loans to sponsoring jurisdictions to fund
30 **project** grants **and project loans** awarded under the sponsoring

jurisdiction's *[grant]* **project funding** program adopted pursuant to section 25 *[of this 2024 Act]*, **chapter 110, Oregon Laws 2024**.

“(b) The **agency** loans shall be interest free for the term set by the sponsoring jurisdiction under **section 26, chapter 110, Oregon Laws 2024** *[section 26 (3)(c) of this 2024 Act]*.

“(2) For each application approved under section 26 (5)(b), **chapter 110, Oregon Laws 2024** *[of this 2024 Act]*, the Housing and Community Services Department shall:

“(a) Enter into *[a]* **an agency** loan agreement with the sponsoring jurisdiction for a payment in an amount equal to the total of:

“(A) **The agency** loan proceeds in an amount equal to the *[grant]* **project funding** award for the application set under **section 26 (3), chapter 110, Oregon Laws 2024** *[section 26 (3)(d) of this 2024 Act]*; and

“(B) The administrative costs set forth in subsection (3) of this section; and

“(b) Pay to the sponsoring jurisdiction the total amount set forth in paragraph (a) of this subsection out of the Housing Project Revolving Loan Fund established under section 35, **chapter 110, Oregon Laws 2024** *[of this 2024 Act]*.

“(3) The administrative costs referred to in subsection (2)(a)(B) of this section are:

“(a) An amount not greater than five percent of the **agency** loan proceeds to reimburse the sponsoring jurisdiction for the costs of administering the *[grant]* **project funding** program, other than the costs of tax administration; and

“(b) An amount equal to one percent of the **agency** loan proceeds to be transferred to the county in which the sponsoring jurisdiction is situated to reimburse the county for the costs of the tax administration of the *[grant]* **project funding** program by the county tax officers.

“(4) The Housing and Community Services Department may assign any

1 and all **agency** loan amounts made under this section to the Department of
2 Revenue for collection as provided in ORS 293.250.

3 “(5) The Housing and Community Services Department may:

4 “(a) Consult with the Oregon Business Development Department about
5 any of the powers and duties conferred on the Housing and Community Ser-
6 vices Department by sections 24 to 35, **chapter 110, Oregon Laws 2024** [*of*
7 *this 2024 Act*]; and

8 “(b) Adopt any rule it considers necessary or convenient for the adminis-
9 tration of sections 24 to 35, **chapter 110, Oregon Laws 2024**, [*of this 2024*
10 *Act*] by the Housing and Community Services Department.

11 **“SECTION 16.** Section 29, chapter 110, Oregon Laws 2024, is amended to
12 read:

13 **“Sec. 29.** (1) Upon entering into [*a*] **an agency** loan agreement with the
14 Housing and Community Services Department under section 28, **chapter 110,**
15 **Oregon Laws 2024** [*of this 2024 Act*], a sponsoring jurisdiction shall offer
16 [*a grant*] **a project funding** agreement to each developer whose application
17 **for project funding** was approved under section 26 (5)(b), **chapter 110,**
18 **Oregon Laws 2024** [*of this 2024 Act*].

19 “(2) The [*grant*] **project funding** agreement shall:

20 “(a) Include a **project** grant award **or project loan** in the amount set
21 under **section 26 (3), chapter 110, Oregon Laws 2024** [*section 26 (3)(d) of*
22 *this 2024 Act*]; and

23 “(b) Contain terms that:

24 “(A) Are required under sections 24 to 35, **chapter 110, Oregon Laws**
25 **2024**, [*of this 2024 Act*] or the ordinance or resolution adopted by the spon-
26 soring jurisdiction pursuant to section 25, **chapter 110, Oregon Laws 2024**
27 [*of this 2024 Act*].

28 “(B) Do not conflict with sections 24 to 35, **chapter 110, Oregon Laws**
29 **2024**, [*of this 2024 Act*] or the ordinance or resolution adopted by the spon-
30 soring jurisdiction pursuant to section 25, **chapter 110, Oregon Laws 2024**

1 [of this 2024 Act].

2 “(3) Upon entering into a [grant] **project funding** agreement with a de-
3 veloper, a sponsoring jurisdiction shall adopt an ordinance or resolution
4 setting forth the details of the eligible housing project that is the subject
5 of the **project funding** agreement, including but not limited to:

6 “(a) **With respect to a project grant or a project loan:**

7 “[a] (A) A description of the eligible housing project;

8 “[b] (B) An itemized description of the eligible costs;

9 “[c] (C) The amount and terms of the grant **project award or project**
10 **loan principal; and**

11 “[d] *Written notice that the eligible housing project property is exempt*
12 *from property taxation in accordance with section 30 of this 2024 Act; and]*

13 “[e] (D) A statement declaring that the [grant] **project funding** has
14 been awarded in response to the housing needs of communities within the
15 sponsoring jurisdiction[.]; **and**

16 “(b) **With respect to a project grant, written notice that the eligible**
17 **housing project property is exempt from property taxation in accord-**
18 **ance with section 30, chapter 110, Oregon Laws 2024.**

19 “(4) Unless otherwise specified in the [grant] **project funding** agreement,
20 as soon as practicable after the ordinance or resolution required under sub-
21 section (3) of this section becomes effective, the sponsoring jurisdiction shall
22 distribute the **agency** loan proceeds received from the department under
23 section 28 (2)(a)(A), **chapter 110, Oregon Laws 2024**, [of this 2024 Act] to
24 the developer as the **project grant moneys or project loan principal**
25 awarded under this section.

26 “(5) The sponsoring jurisdiction shall forward to the tax officers of the
27 county in which the eligible housing project is located a copy of the [grant]
28 **project funding** agreement, the ordinance or resolution and any other ma-
29 terial the sponsoring jurisdiction considers necessary for the tax officers to
30 perform their duties under sections 24 to 35, **chapter 110, Oregon Laws**

1 **2024**, [of this 2024 Act] or the ordinance or resolution.

2 “(6) Upon request, the department may assist the sponsoring jurisdiction
3 with, or perform on behalf of the sponsoring jurisdiction, any duty required
4 under this section.

5 **“SECTION 17.** Section 30, chapter 110, Oregon Laws 2024, is amended to
6 read:

7 **“Sec. 30.** (1) Upon receipt of the copy of a **project** grant agreement and
8 ordinance or resolution from the sponsoring jurisdiction under section 29
9 (5), **chapter 110, Oregon Laws 2024** [of this 2024 Act], the assessor of the
10 county in which eligible housing project property is located shall:

11 “(a) Exempt the eligible housing project property in accordance with this
12 section;

13 “(b) Assess and tax the nonexempt property in the tax account as other
14 similar property is assessed and taxed; and

15 “(c) Submit a written report to the sponsoring jurisdiction setting forth
16 the assessor’s estimate of the amount of:

17 “(A) The real market value of the exempt eligible housing project prop-
18 erty; and

19 “(B) The property taxes on the exempt eligible housing project property
20 that would have been collected if the property were not exempt.

21 “(2)(a) The exemption shall first apply to the first property tax year that
22 begins after completion of the eligible housing project to which the grant
23 relates.

24 “(b) The eligible housing project property shall be disqualified from the
25 exemption on the earliest of:

26 “(A) July 1 of the property tax year immediately succeeding the date on
27 which the fee payment obligation under section 32, **chapter 110, Oregon**
28 **Laws 2024**, [of this 2024 Act] that relates to the eligible housing project, **if**
29 **any**, is repaid in full;

30 “(B) The date on which the annual fee imposed on the fee payer under

1 section 32, **chapter 110, Oregon Laws 2024, if any**, *[of this 2024 Act]* be-
2 comes delinquent;

3 “(C) The date on which foreclosure proceedings are commenced as pro-
4 vided by law for delinquent nonexempt taxes assessed with respect to the tax
5 account that includes the eligible housing project; or

6 “(D) The date on which a condition specified in **section 33 (1), chapter**
7 **110, Oregon Laws 2024**, *[section 33 of this 2024 Act]* occurs.

8 “(c) After the eligible housing project property has been disqualified from
9 the exemption under this subsection, the property shall be assessed and taxed
10 as other similar property is assessed and taxed.

11 “(3) For each tax year that the eligible housing project property is exempt
12 from taxation, the assessor shall enter a notation on the assessment roll
13 stating:

14 “(a) That the property is exempt under this section; and

15 “(b) The presumptive number of property tax years for which the ex-
16 emption is granted, which shall be the term of the **agency** loan agreement
17 relating to the eligible housing project set under **section 26, chapter 110,**
18 **Oregon Laws 2024** *[section 26 (3)(c) of this 2024 Act]*.

19 “**SECTION 18.** Section 31, chapter 110, Oregon Laws 2024, is amended to
20 read:

21 “**Sec. 31.** (1) Repayment of **agency** loans made under section 28, **chapter**
22 **110, Oregon Laws 2024**, *[of this 2024 Act]* shall begin, in accordance with
23 section 32, **chapter 110, Oregon Laws 2024** *[of this 2024 Act]*, after com-
24 pletion of the eligible housing project funded by the **project** grant **or project**
25 **loan** to which the **agency** loan relates, **or after another date or other**
26 **circumstances agreed to by the parties to a project funding agreement**
27 **under section 10 of this 2025 Act.**

28 “(2)(a) The sponsoring jurisdiction shall determine the date of completion
29 of an eligible housing project.

30 “(b)(A) If an eligible housing project is completed before July 1 of the

1 assessment year, repayment shall begin with the property tax year that be-
2 gins on July 1 of the assessment year.

3 “(B) If an eligible housing project is completed on or after July 1 of the
4 assessment year, repayment shall begin with the property tax year that be-
5 gins on July 1 of the succeeding assessment year.

6 “(c) After determining the date of completion under paragraph (a) of this
7 subsection, the sponsoring jurisdiction shall notify the Housing and Com-
8 munity Services Department and the county tax officers of the determination.

9 “(3) A loan shall remain outstanding until repaid in full.

10 “**SECTION 19.** Section 32, chapter 110, Oregon Laws 2024, is amended to
11 read:

12 “**Sec. 32. (1) Unless repayment of the agency loan made under sec-**
13 **tion 28, chapter 110, Oregon Laws 2024, has been otherwise provided for**
14 **under section 10 of this 2025 Act,** the fee payer for eligible housing project
15 property that has been granted exemption under section 30, **chapter 110,**
16 **Oregon Laws 2024,** *[of this 2024 Act]* shall pay an annual fee for the term
17 that shall be the presumptive number of **property tax** years for which the
18 property is granted exemption under section 30 (3)(b), **chapter 110, Oregon**
19 **Laws 2024** *[of this 2024 Act]*.

20 “(2)(a) The amount of the fee for the first property tax year in which re-
21 payment of the **agency** loan is due under section 31 (1), **chapter 110,**
22 **Oregon Laws 2024,** *[of this 2024 Act]* shall equal the total of:

23 “(A) The portion of the increment determined under **section 27, chapter**
24 **110, Oregon Laws 2024,** *[section 27 (1)(c) of this 2024 Act]* that is attributable
25 to the eligible housing project property to which the fee relates; and

26 “(B) The administrative costs described in section 28 (3), **chapter 110,**
27 **Oregon Laws 2024,** *[of this 2024 Act]* divided by the term of the **project**
28 grant agreement entered into under section 29, **chapter 110, Oregon Laws**
29 **2024** *[of this 2024 Act]*.

30 “(b) For each subsequent property tax year, the amount of the fee shall

1 be 103 percent of the amount of the fee for the preceding property tax year.

2 “(3)(a) Not later than July 15 of each property tax year during the term
3 of the fee obligation, the sponsoring jurisdiction shall certify to the assessor
4 each fee amount that became due under this section on or after July 16 of
5 the previous property tax year from fee payers with respect to eligible
6 housing projects located in the sponsoring jurisdiction.

7 “(b) The assessor shall place each fee amount on the assessment and tax
8 rolls of the county and notify:

9 “(A) The sponsoring jurisdiction of each fee amount and the aggregate
10 of all fee amounts imposed with respect to eligible housing project property
11 located in the sponsoring jurisdiction.

12 “(B) The Housing and Community Services Department of each fee
13 amount and the aggregate of all fee amounts with respect to all eligible
14 housing project property located in the county.

15 “(4)(a) The assessor shall include on the tax statement of each tax ac-
16 count that includes exempt eligible housing project property the amount of
17 the fee imposed on the fee payer with respect to the eligible housing project
18 property.

19 “(b) The fee shall be collected and enforced in the same manner as ad
20 valorem property taxes, including nonexempt taxes, are collected and en-
21 forced.

22 “(5)(a) For each property tax year in which a fee is payable under this
23 section, the treasurer shall:

24 “(A) Estimate the amount of operating taxes as defined in ORS 310.055
25 and local option taxes as defined in ORS 310.202 levied by fire districts that
26 would have been collected on eligible housing project property if the prop-
27 erty were not exempt;

28 “(B) Distribute out of the fee moneys the **estimated** amounts determined
29 under subparagraph (A) of this paragraph to the respective fire districts
30 when other ad valorem property taxes are distributed under ORS 311.395; and

1 “(C) Transfer the net fee moneys to the Housing and Community Services
2 Department for deposit in the Housing Project Revolving Loan Fund estab-
3 lished under section 35, **chapter 110, Oregon Laws 2024**, [of this 2024 Act]
4 in repayment of the loans to which the fees relate.

5 “(b) Nonexempt taxes shall be distributed in the same manner as other
6 ad valorem property taxes are distributed.

7 “(6) Any person with an interest in the eligible housing project property
8 on the date on which any fee amount becomes due shall be jointly and se-
9 verally liable for payment of the fee amount.

10 “(7) Any **agency** loan amounts that have not been repaid when the fee
11 payer has discharged its obligations in full under this section remain the
12 obligation of the sponsoring jurisdiction that obtained the **agency** loan from
13 the department under section 28, **chapter 110, Oregon Laws 2024** [of this
14 2024 Act].

15 “(8) Any fee amounts collected in excess of the **agency** loan amount shall
16 be distributed in the same manner as other ad valorem property taxes are
17 distributed.

18 “**SECTION 20.** Section 33, chapter 110, Oregon Laws 2024, is amended to
19 read:

20 “**Sec. 33.** (1)(a) A developer that received a **project** grant award under
21 section 29, **chapter 110, Oregon Laws 2024**, [of this 2024 Act] shall become
22 liable for immediate payment of [any] outstanding annual fee payments, **if**
23 **any**, imposed under section 32, **chapter 110, Oregon Laws 2024**, [of this
24 2024 Act] for the entire term of the fee if:

25 “(A) The developer has not completed the eligible housing project within
26 three years following the date on which the **project** grant moneys were dis-
27 tributed to the developer;

28 “(B) The eligible housing project changes substantially from the project
29 for which the developer’s application was approved such that the project
30 would not have been eligible for the **project** grant; or

1 “(C) The developer has not complied with a requirement specified in the
2 **project** grant agreement.

3 “(b) The sponsoring jurisdiction may, in its sole discretion, extend the
4 date on which the eligible housing project must be completed.

5 “(2) If the sponsoring jurisdiction discovers that a developer willfully
6 made a false statement or misrepresentation or willfully failed to report a
7 material fact to obtain a **project** grant with respect to an eligible housing
8 project, the sponsoring jurisdiction may impose on the developer a penalty
9 not to exceed 20 percent of the amount of the **project** grant so obtained, plus
10 any applicable interest and fees associated with the costs of collection.

11 “(3) Any amounts imposed under subsection (1) or (2) of this section shall
12 be a lien on the eligible housing project property and the nonexempt prop-
13 erty in the tax account.

14 “(4) The sponsoring jurisdiction shall provide written notice of any
15 amounts that become due under subsections (1) and (2) of this section to the
16 county tax officers and the Housing and Community Services Department.

17 “(5)(a) Any and all amounts required to be paid under this section shall
18 be considered to be liquidated and delinquent, and the Housing and Com-
19 munity Services Department shall assign such amounts to the Department
20 of Revenue for collection as provided in ORS 293.250.

21 “(b) Amounts collected under this subsection shall be deposited, net of
22 any collection charges, in the Housing Project Revolving Loan Fund estab-
23 lished under section 35, **chapter 110, Oregon Laws 2024** [*of this 2024 Act*].

24 “**SECTION 21.** Section 34, chapter 110, Oregon Laws 2024, is amended to
25 read:

26 “**Sec. 34.** (1) Not later than June 30 of each year in which a [*grant*]
27 **project funding** agreement entered into under section 29, **chapter 110,**
28 **Oregon Laws 2024** [*of this 2024 Act*] is in effect, a developer that is party
29 to the agreement shall submit a report to the sponsoring jurisdiction in
30 which the eligible housing project is located that contains:

1 “(a) The status of the construction or conversion of the eligible housing
2 project property, including an estimate of the date of completion;

3 “(b) An itemized description of the uses of the [grant] **project funding**
4 moneys; and

5 “(c) Any information the sponsoring jurisdiction considers important for
6 evaluating the eligible housing project and the developer’s performance un-
7 der the terms of the [grant] **project funding** agreement.

8 “(2) Not later than August 15 of each year, each sponsoring jurisdiction
9 shall submit to the Housing and Community Services Department a report
10 containing such information relating to eligible housing projects within the
11 sponsoring jurisdiction as the department requires.

12 “(3)(a) Not later than November 15 of each year, the department shall
13 submit, in the manner required under ORS 192.245, a report to the interim
14 committees of the Legislative Assembly related to housing.

15 “(b) The report shall set forth in detail:

16 “(A) The information received from sponsoring jurisdictions under sub-
17 section (2) of this section;

18 “(B) The status of the repayment of all outstanding **agency** loans made
19 under section 28, **chapter 110, Oregon Laws 2024**, [of this 2024 Act] and of
20 the payment of all fees imposed under section 32, **chapter 110, Oregon Laws**
21 **2024**, [of this 2024 Act] and all amounts imposed under section 33, **chapter**
22 **110, Oregon Laws 2024**, [of this 2024 Act]; and

23 “(C) The cumulative experience of the **project funding** program devel-
24 oped and implemented under sections 24 to 35 [of this 2024 Act], **chapter 110,**
25 **Oregon Laws 2024.**

26 “(c) The report may include recommendations for legislation.

27 “**SECTION 22.** Section 35, chapter 110, Oregon Laws 2024, is amended to
28 read:

29 “**Sec. 35.** (1) The Housing Project Revolving Loan Fund is established in
30 the State Treasury, separate and distinct from the General Fund. Interest

1 earned by the Housing Project Revolving Loan Fund shall be credited to the
2 fund.

3 “(2) Moneys in the fund may be invested as provided by ORS 293.701 to
4 293.857, and the earnings from the investments shall be credited to the fund.

5 “(3) Moneys in the Housing Project Revolving Loan Fund shall consist
6 of:

7 “(a) Amounts appropriated or otherwise transferred or credited to the
8 fund by the Legislative Assembly;

9 “(b) Net fee moneys transferred under section 32, **chapter 110, Oregon**
10 **Laws 2024** [*of this 2024 Act*];

11 “(c) Amounts deposited in the fund under section 33, **chapter 110,**
12 **Oregon Laws 2024** [*of this 2024 Act*];

13 “(d) **Repayment amounts deposited in the fund under section 10 of**
14 **this 2025 Act;**

15 “[*(d)*] (e) Interest and other earnings received on moneys in the fund; and

16 “[*(e)*] (f) Other moneys or proceeds of property from any public or private
17 source that are transferred, donated or otherwise credited to the fund.

18 “(4) Moneys in the Housing Project Revolving Loan Fund are contin-
19 uously appropriated to the Housing and Community Services Department for
20 the purpose of paying amounts determined under section 28, **chapter 110,**
21 **Oregon Laws 2024** [*of this 2024 Act*].

22 “(5) Moneys in the Housing Project Revolving Loan Fund at the end of
23 a biennium shall be retained in the fund and used for the purposes set forth
24 in subsection (4) of this section.

25 “**SECTION 23. This 2025 Act takes effect on the 91st day after the**
26 **date on which the 2025 regular session of the Eighty-third Legislative**
27 **Assembly adjourns sine die.”.**