
MEMORANDUM

Legislative Fiscal Office
900 Court St. NE, Room H-178
Salem, Oregon 97301
Phone 503-986-1828
FAX 503-373-7807

To: Capital Construction Subcommittee

From: Matt Stayner, Legislative Fiscal Office
(503) 986-1840

Date: 2/24/16

Subject: HB 4079
Work Session Recommendations

HB 4079 requires the Land Conservation and Development Commission to establish and implement an affordable housing pilot program; adopting rules to implement that program before July 1, 2017. The Commission is to select two pilot projects, one from a city with a population of less than 25,000 and one from a city with a population greater than 25,000. LCDC is required to adopt rules defining “affordable housing”; specifying the types of affordable housing allowed on pilot project sites, limiting the total acreage of pilot project sites to no more than 50 acres, and specifying local government efforts that demonstrate the accommodation and encouragement of the local government in the development of needed housing. LCDC is also required to adopt rules that specify requirements for affordable housing that may include a sales price or rental rate range, and LCDC is allowed to establish a rule allowing for an expedited process for amending urban growth boundaries to include pilot project sites. The bill also provides direction to local governments where pilot projects are sited regarding duties and restrictions of the local government with respect to the project. LCDC is required to report on the progress of the pilot program to the committees of the Legislative Assembly related to housing and human services following the 2016 legislative session and for three consecutive legislative sessions beginning with the 2017 session.

The Department of Land Conservation and Development believes that the rulemaking can be completed over the course of two meetings of the Land Conservation and Development Commission and will require existing staff time for the administrative support of the commission meetings. DLCD states that it does not have the capacity currently to do certain research activities pertaining to urban growth boundary issues related to the required rule making and will require contracted services for that function at an estimated cost of \$60,000 to \$100,000

Recommended Changes to Bill:

The Legislative Fiscal Office recommends the adoption of the -B10 amendment to HB 4079. The amendment provides a one-time \$100,000 General Fund appropriation to the Department of Land Conservation and Development for the purposes of carrying out the applicable provisions of the bill.

Motion:

Move the LFO recommendation to adopt the –B10 amendment to HB 4079

The Legislative Fiscal Office recommends the adoption of the -B11 amendment to HB 4079. The amendment expands the list of local areas that would be ineligible for selection as a pilot program site to include Polk County, the cities within Polk County, and any local government in Jefferson County that is served by the North Unit Irrigation District.

Motion:

Move the LFO recommendation to adopt the –B11 amendment to HB 4079

HB 4079 Final Subcommittee Action:

Final Motion:

Move HB 4079 to the full committee with a “do pass” recommendation, as amended.