

House Bill 3406

Sponsored by Representative LEWIS; Representatives LEIF, NEARMAN, SMITH DB

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Establishes Rural System Development Charges Program within Housing and Community Services Department to pay system development charges for rural affordable multifamily housing.

Establishes Rural System Development Charges Fund. Appropriates moneys from General Fund to department for purposes of program.

Sunsets June 30, 2027.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to rural system development charges to be used for affordable housing; and prescribing an
3 effective date.

4 **Be It Enacted by the People of the State of Oregon:**

SECTION 1. (1) As used in this section:

5
6 (a) **"Affordable housing" means dwelling units in multifamily housing in which the rent**
7 **does not exceed 30 percent of the area median income as based on information from the**
8 **United States Department of Housing and Urban Development and subject to adjustment by**
9 **the Oregon Housing Stability Council for areas with unusually low incomes or high costs of**
10 **housing.**

11 (b) **"Rural government" means a county with a population with less than 25,000 or a city**
12 **within a county with a population of less than 25,000.**

13 (c) **"System development charge" has the meaning given that term in ORS 223.299.**

14 (2) **The Housing and Community Services Department shall, with the advice and consent**
15 **of the Oregon Housing Stability Council, develop and implement the Rural System Develop-**
16 **ment Charges Program to expand the supply of affordable multifamily housing in rural areas.**

17 (3) **The department may use moneys appropriated for the program to pay system devel-**
18 **opment charges assessed by a rural government only if:**

19 (a) **The system development charges are triggered by a building permit for the con-**
20 **struction of multifamily housing or for the addition of dwelling units to multifamily housing;**

21 (b) **The person assessed the system development charges has taken actions to ensure**
22 **that the assessed dwelling units remain affordable housing for no less than 10 years, includ-**
23 **ing entering into an affordable housing covenant held by the department as described in ORS**
24 **456.280; and**

25 (c) **The system development charges were assessed on or after the effective date of this**
26 **2019 Act.**

27 (4) **The department, with the advice and consent of the council, may adopt criteria and**
28 **priorities for making payments under this section that may prefer:**

29 (a) **Development in rural communities that have received lower per capita spending from**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 other federal and state housing programs;

2 (b) Development that reduces burdens on public infrastructure or results in lower system
3 development charges;

4 (c) Payments of system development charges that have not been significantly raised after
5 the effective date of this 2019 Act;

6 (d) Providing the greatest number of affordable housing units for the funding provided;
7 or

8 (e) Providing the longest possible use of qualified properties as affordable housing units.

9 **SECTION 2.** (1) The Rural System Development Charges Fund is established in the State
10 Treasury, separate and distinct from the General Fund.

11 (2) Moneys in the Rural System Development Charges Fund consist of amounts appro-
12 priated or otherwise transferred to the fund by the Legislative Assembly or received from
13 any state, federal or private source.

14 (3) Moneys in the fund are continuously appropriated to the Housing and Community
15 Services Department to administer the fund and to develop and implement the Rural System
16 Development Charges Program under section 1 of this 2019 Act.

17 **SECTION 3.** In addition to and not in lieu of any other appropriation, there is appropri-
18 ated to the Housing and Community Services Department, for the biennium beginning July
19 1, 2019, out of the General Fund, the amount of \$750,000 for deposit into the Rural System
20 Development Charges Fund.

21 **SECTION 4.** (1) Sections 1 and 2 of this 2019 Act are repealed on June 30, 2027.

22 (2) Any balance in the Rural System Development Charges Fund established under sec-
23 tion 2 of this 2019 Act that is unexpended and unobligated on the date of the repeal of section
24 2 of this 2019 Act, and all moneys that would have been deposited in the Rural System De-
25 velopment Charges Fund had section 2 of this 2019 Act remained in effect, shall be trans-
26 ferred to and deposited in the General Fund and made available for general governmental
27 purposes.

28 **SECTION 5.** This 2019 Act takes effect on the 91st day after the date on which the 2019
29 regular session of the Eightieth Legislative Assembly adjourns sine die.

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