

HB 2701 STAFF MEASURE SUMMARY

House Committee On Economic Recovery and Prosperity

Action Date: 04/13/21

Action: Do pass, rescind subsequent referral to Housing, and be referred to Ways and Means by prior reference.

Vote: 8-0-0-0

Yeas: 8 - Cate, Clem, Kropf, Levy, Lively, Prusak, Ruiz, Wallan

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 2/11, 4/1, 4/13

WHAT THE MEASURE DOES:

Establishes the Rural System Development Charges Program within the Oregon Housing and Community Services Department (OHCS) to increase the supply of rural, affordable multifamily housing. Creates framework for use of funds to pay system development charges in rural communities. Permits OHCS, with the advice and consent of the Oregon Housing Stability Council, to adopt criteria for making payments that give preference for the development of affordable housing. Defines key terms. Establishes the Rural System Development Charges Fund, separate and distinct from the General Fund. Appropriates \$750,000 from the General Fund to the Rural System Development Charges Fund. Requires a report to the interim committee of the Legislative Assembly related to housing by September 15 of each even-numbered year. Sunsets on June 30, 2027. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Development of affordable housing in rural communities
- Specific communities that could use the program
- Impact of system development charges on affordable housing

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

System Development Charges (SDCs) are one-time fees charged on new development, and certain types of redevelopment, to help pay for existing and planned infrastructure to serve the development. Imposing an SDC is one means of financing growth available to local governments. State law authorizes local governments (cities, counties, and special districts) to assess SDCs; specifies how, when, and for what improvements they can be imposed; and provides guidelines on the calculation and modification of SDCs. Depending on the project, SDCs may increase the budget of a project.

House Bill 2701 establishes the Rural System Development Charges Program within the Oregon Housing and Community Services Department to increase the supply of rural, affordable multifamily housing and appropriates \$750,000 from the General Fund to the Rural System Development Charges Fund.