

House Bill 2701

Sponsored by Representatives LEWIS, SMITH DB; Representatives BONHAM, BREESE-IVERSON, OWENS, SMITH G, ZIKA (Pre-session filed.)

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.

Sunset 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 support affordable multifamily housing; and pre-
3 scribing an effective date.

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

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

6 (a) **“Affordable housing” means multifamily residential housing units that may be pur-**
7 **chased or rented, with or without government assistance, by persons whose individual or**
8 **household income is at or below 60 percent of the area median income based on household**
9 **size.**

10 (b) **“Rural government” means the government of a community outside the Portland**
11 **metropolitan area urban growth boundary:**

12 (A) **With a population equal to or less than 15,000 located inside a county considered a**
13 **metropolitan statistical area as designated by the United States Office of Management and**
14 **Budget;**

15 (B) **With a population equal to or less than 40,000 located outside a county considered a**
16 **metropolitan statistical area as designated by the United States Office of Management and**
17 **Budget; or**

18 (C) **That, within the three years before receiving an application for a payment, had a**
19 **population that satisfied subparagraph (A) or (B) of this paragraph and, upon the receipt of**
20 **the application, has a population within five percent of satisfying subparagraph (A) or (B)**
21 **of this paragraph.**

22 (c) **“System development charge” has the meaning given that term in ORS 223.299.**

23 (2) **The Housing and Community Services Department shall, with the advice and consent**
24 **of the Oregon Housing Stability Council, develop, establish and implement the Rural System**
25 **Development Charges Program to increase the supply of rural affordable multifamily hous-**
26 **ing.**

27 (3) **The department may not use moneys appropriated for the program to pay system**
28 **development charges assessed by a rural government unless:**

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

4 (b) The person assessed the system development charges has taken actions, including
5 entering into an affordable housing covenant held by the department as described in ORS
6 456.280, to ensure that the assessed dwelling units remain affordable housing for no less than
7 10 years.

8 (4) The department, with the advice and consent of the council, may adopt criteria for
9 giving preferences for awards under the program for the development of affordable housing:

10 (a) That reduces burdens on public infrastructure or results in lower system development
11 charges;

12 (b) That offers the greatest number of affordable housing units for the funding provided;

13 (c) That provides the longest duration of use for qualified properties as affordable hous-
14 ing units; or

15 (d) That reserves a percentage of affordable housing units for veterans.

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

18 (2) Moneys in the fund consist of amounts appropriated or otherwise transferred to the
19 fund by the Legislative Assembly or received from any state, federal or private source.

20 (3) Moneys in the fund are continuously appropriated to the Housing and Community
21 Services Department to administer the fund and to develop and implement the Rural System
22 Development Charges Program established under section 1 of this 2021 Act.

23 **SECTION 3.** No later than September 15 of each even-numbered year, the Housing and
24 Community Services Department shall report to an interim committee of the Legislative
25 Assembly related to housing, in the manner provided in ORS 192.245, on the implementation
26 and administration of the program established under section 1 of this 2021 Act and the
27 manner in which moneys were expended from, and the outstanding balance of, the Rural
28 System Development Charges Fund established under section 2 of this 2021 Act.

29 **SECTION 4.** (1) Sections 1 to 3 of this 2021 Act are repealed on June 30, 2027.

30 (2) Any balance in the Rural System Development Charges Fund established under sec-
31 tion 2 of this 2021 Act that is unexpended and unobligated on the date of the repeal of section
32 2 of this 2021 Act, and all moneys that would have been deposited in the Rural System De-
33 velopment Charges Fund had section 2 of this 2021 Act remained in effect, shall be trans-
34 ferred to and deposited in the General Fund and made available for general governmental
35 purposes.

36 **SECTION 5.** In addition to and not in lieu of any other appropriation, there is appropri-
37 ated to the Housing and Community Services Department, for the biennium beginning July
38 1, 2021, out of the General Fund, the amount of \$750,000 for deposit into the Rural System
39 Development Charges Fund.

40 **SECTION 6.** This 2021 Act takes effect on the 91st day after the date on which the 2021
41 regular session of the Eighty-first Legislative Assembly adjourns sine die.