

**A-Engrossed**  
**House Bill 2981**

Ordered by the House March 23  
Including House Amendments dated March 23

Sponsored by Representative MARSH, Senator ANDERSON; Representatives BYNUM, FAHEY, GAMBA, GOMBERG, HARTMAN, Senator GOLDEN (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.

Requires Oregon Business Development Department **and Housing and Community Services Department** to provide grants and loans for housing. Appropriates moneys from General Fund to [*department*] **departments** to fund grants and loans.

Sunset January 2, 2026.

Takes effect on 91st day following adjournment sine die.

**A BILL FOR AN ACT**

1  
2 Relating to housing; and prescribing an effective date.

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

4 **SECTION 1. Moderate income housing infrastructure.** (1) **The Oregon Business Develop-**  
5 **ment Department, in consultation with the Department of Land Conservation and Develop-**  
6 **ment and the Housing and Community Services Department, shall:**

7 (a) **Make grants to local governments for infrastructure or public improvements sup-**  
8 **porting developers of moderate income housing, including transportation or utility improve-**  
9 **ments or extensions, brownfield cleanup and other needed infrastructure.**

10 (b) **Provide grants or forgivable loans to local governments to create, improve or extend**  
11 **infrastructure, utilities or public services to support the development of moderate income**  
12 **housing.**

13 (2) **Forgiveable loans made under this section must have a term not exceeding 40 years.**

14 (3) **Proceeds from forgiveable loans and other moneys recovered under this section shall**  
15 **be paid to the Oregon Business Development Department and deposited in the State Treasury**  
16 **to the credit of the General Fund and are available for general governmental expenses.**

17 (4) **As used in this section, "moderate income housing" means housing subject to an**  
18 **affordability restriction as established by rule of the Oregon Business Development Depart-**  
19 **ment for a household with income less than or equal to 120 percent, and greater than 60**  
20 **percent, of the area median income.**

21 **SECTION 2.** Sections 3 and 4 of this 2023 Act are added to and made a part of ORS  
22 **chapter 458.**

23 **SECTION 3. Land and predevelopment costs for moderate income housing.** (1) **The**  
24 **Housing and Community Services Department shall provide grants to one or more nonprofit**  
25 **organizations.**

26 (2) **The nonprofit must use the grant to develop a revolving fund that may be used only**

**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 to make loans for the acquisition of lands and the predevelopment costs, including costs of  
2 planning, design, engineering and permitting, to develop moderate income housing, as defined  
3 in section 1 of this 2023 Act.

4 (3) The term of a loan made under this section may not exceed five years.

5 (4) The department and state are not guarantors of any loan made by a nonprofit cor-  
6 poration under this section.

7 (5) To be eligible for a grant under this section or section 4 of this 2023 Act, a nonprofit  
8 corporation must:

9 (a) Be exempt from income taxes under section 501(c)(3) or (4) of the Internal Revenue  
10 Code; and

11 (b) Demonstrate to the satisfaction of the department that the corporation is a commu-  
12 nity development financial institution that operates statewide to support investment in the  
13 construction of affordable housing.

14 **SECTION 4. Moderate income housing construction loan guarantee funds.** (1) The Hous-  
15 ing and Community Services Department shall provide grants to one or more nonprofit or-  
16 ganizations to develop a fund.

17 (2) The moneys in the fund may be used only to guarantee the repayment of loans to fi-  
18 nance the construction of moderate income housing, as defined in section 1 of this 2023 Act.

19 (3) The term of a loan guaranteed under this section may not exceed five years.

20 (4) The department and the state are not guarantors of any loan guaranteed by a  
21 nonprofit corporation under this section.

22 **SECTION 5. Sunset.** Sections 1, 3 and 4 of this 2023 Act are repealed on January 2, 2026.

23 **SECTION 6. Appropriations.** In addition to and not in lieu of any other appropriation,  
24 there is appropriated, for the biennium beginning July 1, 2023, out of the General Fund:

25 (1) To the Oregon Business Development Department, the amount of \$20,000,000 to make  
26 grants and forgivable loans to support moderate income housing infrastructure under sec-  
27 tion 1 of this 2023 Act.

28 (2) To the Housing and Community Services Department, the amount of:

29 (a) \$20,000,000 to provide grants to support land and predevelopment costs for moderate  
30 income housing under section 3 of this 2023 Act.

31 (b) \$20,000,000 to provide grants for moderate income housing guarantee funds under  
32 section 4 of this 2023 Act.

33 **SECTION 7. Captions.** The section captions used in this 2023 Act are provided only for  
34 the convenience of the reader and do not become part of the statutory law of this state or  
35 express any legislative intent in the enactment of this 2023 Act.

36 **SECTION 8. Effective date.** This 2023 Act takes effect on the 91st day after the date on  
37 which the 2023 regular session of the Eighty-second Legislative Assembly adjourns sine die.

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