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 (Presession 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.
Sunsets January 2, 2026.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT
Relating to housing; and prescribing an effective date.

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

SECTION 1. Moderate income housing infrastructure. (1) The Oregon Business Development Department, in consultation with the Department of Land Conservation and Development and the Housing and Community Services Department, shall:
(a) Make grants to local governments for infrastructure or public improvements supporting developers of moderate income housing, including transportation or utility improvements or extensions, brownfield cleanup and other needed infrastructure.
(b) Provide grants or forgivable loans to local governments to create, improve or extend infrastructure, utilities or public services to support the development of moderate income housing.
(2) Forgivable loans made under this section must have a term not exceeding 40 years.
(3) Proceeds from forgivable loans and other moneys recovered under this section shall be paid to the Oregon Business Development Department and deposited in the State Treasury to the credit of the General Fund and are available for general governmental expenses.
(4) As used in this section, “moderate income housing” means housing subject to an affordability restriction as established by rule of the Oregon Business Development Department for a household with income less than or equal to 120 percent, and greater than 60 percent, of the area median income.

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

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

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

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

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

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

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

(b) Demonstrate to the satisfaction of the department that the corporation is a community development financial institution that operates statewide to support investment in the construction of affordable housing.

SECTION 4. Moderate income housing construction loan guarantee funds. (1) The Housing and Community Services Department shall provide grants to one or more nonprofit organizations to develop a fund.

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

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

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

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

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

(1) To the Oregon Business Development Department, the amount of $20,000,000 to make grants and forgiveable loans to support moderate income housing infrastructure under section 1 of this 2023 Act.

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

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

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

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

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