

# Senate Bill 936

Sponsored by Senator MANNING JR

## 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**.

Requires Housing and Community Services Department to provide grants to developers of single-family homes made available for affordable homeownership. Requires department to provide loans under modified version of Affordable Housing Land Acquisition Revolving Loan Program for land for affordable homeownership housing. Requires department to award grants to support innovative homeownership projects.

Appropriates moneys from General Fund to department for purposes of Act.

Sunsets January 2, 2026.

Declares emergency, effective July 1, 2023.

## A BILL FOR AN ACT

1  
2 Relating to homeownership; and declaring an emergency.

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

4 **SECTION 1. Sections 2 to 4 of this 2023 Act are added to and made a part of ORS chapter**  
5 **458.**

6 **SECTION 2. (1) The Housing and Community Services Department shall provide grants**  
7 **for the development of owner-occupied single-family homes as provided in this section.**

8 **(2) To be eligible for a grant under this section, the grantee must:**

9 **(a) Be or partner with a culturally responsive or culturally specific organization;**

10 **(b) Demonstrate strategies to make eligibility for purchasing a home available to histor-**  
11 **ically underserved communities, including communities of color; and**

12 **(c) Sell each home to a low income household that is a first-time home buyer that will**  
13 **occupy the home as its primary residence.**

14 **(3) Each home must be subject to an affordability restriction, such as a restriction de-**  
15 **scribed in ORS 456.270 to 456.295, for a term of no less than 90 years, that makes the home**  
16 **available for purchase:**

17 **(a) Only by households that are low income and that will occupy the property; and**

18 **(b) At a price that is affordable to low income households, as defined in ORS 456.270.**

19 **(4) The department may award larger grants per developed home under this section for**  
20 **homes that will be made affordable to lower income households, but with the target of**  
21 **awarding grants under this section that average \$200,000 per developed home.**

22 **(5) The department shall give preference to grantees:**

23 **(a) That finance or arrange financing of the sale of the home at below-market interest**  
24 **rates or with down payments of less than \$10,000; or**

25 **(b) That use a community land trust model in which the grantee will own the land subject**  
26 **to a ground lease of no less than 90 years.**

27 **(6) The department may release up to 15 percent of the total grant amount awarded un-**  
28 **der this section for a grantee's predevelopment costs, including infrastructure, site acquisi-**

**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 tion, planning, reports, surveys and consultants, only if the grantee is a public benefit  
 2 corporation whose primary purpose is the development of affordable housing. A grantee who  
 3 receives moneys for predevelopment costs and is unable to complete the development of the  
 4 homes is not liable to the department for the return of any predevelopment costs actually  
 5 and reasonably spent, except for any equity that the grantee has retained in the real prop-  
 6 erty.

7 (7) The sale of homes under this section includes ownership of a ground lease with a term  
 8 of at least 90 years or ownership of a share in a cooperative or other form of equity interest  
 9 in the real property.

10 **SECTION 3.** The Housing and Community Services Department shall provide financial  
 11 assistance to eligible organizations under the Affordable Housing Land Acquisition Revolving  
 12 Loan Program under ORS 456.502 that:

13 (1) Notwithstanding ORS 456.502 (2), (5) and (6), is available only to operating  
 14 homeownership programs for low income households that are, or are partnering with, a  
 15 culturally responsive or a culturally specific organization;

16 (2) Notwithstanding ORS 456.502 (12), consists of loans with an interest rate of zero per-  
 17 cent, except as provided in ORS 456.502 (10);

18 (3) Has deadlines under ORS 456.502 (8) and (10) that are reduced from eight years to five  
 19 years; and

20 (4) Is not subject to ORS 456.502 (7).

21 **SECTION 4.** (1) The Housing and Community Services Department shall award grants to  
 22 fund housing projects that incorporate innovative and creative solutions to providing housing  
 23 for ownership or co-ownership by low income households.

24 (2) Projects funded under this section may include:

25 (a) Projects using innovative building materials or processes;

26 (b) Projects converting existing nonresidential uses into residential uses;

27 (c) Projects using innovative or uncommon ownership models of ownership, including  
 28 community land trusts, shared or limited-equity models or housing cooperatives;

29 (d) Projects using public-private partnerships, including industry-specific employment  
 30 housing; or

31 (e) Projects incorporating economic development components or establishing other public  
 32 benefits.

33 (3) In awarding grants under this section, the department shall prioritize projects:

34 (a) That have existing dedicated funding available; and

35 (b) That are submitted by, or in partnership with, a culturally responsive or culturally  
 36 specific organization.

37 **SECTION 5.** In addition to and not in lieu of any other appropriation, there is appropri-  
 38 ated to the Housing and Community Services Department, for the biennium beginning July  
 39 1, 2023, out of the General Fund:

40 (1) The amount of \$100,000,000, to provide grants under section 2 of this 2023 Act.

41 (2) The amount of \$30,000,000, to provide financial assistance under section 3 of this 2023  
 42 Act.

43 (3) The amount of \$20,000,000, to provide grants under section 4 of this 2023 Act.

44 **SECTION 6.** Sections 2 to 4 of this 2023 Act are repealed on January 2, 2026.

45 **SECTION 7.** This 2023 Act being necessary for the immediate preservation of the public

1 **peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect**  
2 **on July 1, 2023.**

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