

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2001 - 11**

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Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Establishes the Oregon Housing Needs Analysis, extends the notification requirement for termination of residential rental agreements for nonpayment, provides funding for modular housing development, moderate income housing predevelopment loans, and agriculture workforce housing.

Government Unit(s) Affected:

Housing and Community Services Department, Metro, Department of Agriculture, Department of Administrative Services, Department of Land Conservation and Development, Cities, Counties, Department of Human Services, Judicial Department, Oregon Business Development Department, Special Districts Association of Oregon, State Treasurer, Land Use Board of Appeals, Department of Environmental Quality, Department of Transportation, Department of State Lands, Employment Department, Department of Consumer and Business Services

Analysis:

This fiscal impact statement is for the purpose of transmitting the measure from the House Committee on Housing and Homelessness to the Joint Committee on Ways and Means.

HB 2001 with the -11 amendment establishes the Oregon Housing Needs Analysis within the Department of Administrative Services (DAS) for the purpose of increasing housing production to meet the needs of Oregonians at all levels of affordability, and in a way that creates more choice through fair housing. On an annual basis, DAS is required to conduct a statewide estimate of needed housing by region and include the following factors in its estimate: forecasted population growth; regional job growth; the housing needs of individuals experiencing homelessness; projected housing units converted to vacation or second homes; and equitable distribution of housing across specified income levels. DAS must also establish annual housing production targets for cities with a population greater than 10,000, separated into subsidized affordable and total housing production. DAS's initial statewide housing analysis is due by January 1, 2025.

The Housing and Community Services Department (HCSD) and Department of Land Conservation and Development (DLCD) are required to assist DAS with the study and can recommend changes in methodology. HCSD is required to update a publicly available housing production dashboard to measure progress; HCSD will also update publicly available statewide housing equity indicators. DLCD will adopt a housing production target schedule to assist DAS with the allocation of housing production targets. The Land Conservation and Development Commission is directed to adopt rules related to urbanization which provide greater flexibility and certainty for local governments in amending growth boundaries or adopting comprehensive plan amendments or land use regulations to support their housing production strategies. The Commission will also adopt rules to evaluate cities progress toward adopting a housing production strategy, and provide assistance to cities in meeting housing production and capacity goals. The Commission is authorized to waive, amend, or impose local procedures and ordinances in certain circumstances.

The measure includes blank General Fund appropriations to DLCD in the 2021-23 and 2023-25 biennia, and DAS and HCSD in the 2023-25 biennium, for supporting each of their respective roles.

The measure directs Metro to develop and adopt a housing coordination strategy identifying regional strategies and impediments to producing needed housing within one year of completing a housing capacity analysis. By February 1 of each year, cities with a population of 10,000 or greater are required to report to DLCD on the number of residential units permitted and produced; this data will then be shared with DAS and HCSD. The measure requires population forecasts submitted by Portland State University to segment required data by race, ethnicity, disability status, and information for populations on tribal lands.

The measure authorizes the Emergency Housing Account in HCSD to be used for services and assistance to school-aged children in kindergarten through grade 12, or their families, who are homeless or at risk of becoming homeless. The Department of Human Services (DHS) is authorized to award grants to organizations that propose to provide evidence-based services, as described by the Department by rule, for youth experiencing homelessness in an underserved area or an area in which those services are not provided. DHS host home grants are also expanded to support the operations of existing host home projects.

HCSD is directed to provide grants or loans to entities to begin or expand production capacity for the development of modular housing and components to support home builders and developers in meeting housing demand. The Department must establish a temporary advisory committee to advise the Department on the provision of the grants or loans. HCSD may enter into a contract with a third party to award or administer the grants. The measure includes a \$20 million General Fund appropriation to HCSD in the 2023-25 biennium to make the loans or grants. This The modular housing provision is repealed on January 2, 2026.

The Oregon Facilities Authority is directed to provide financing to local governments or housing developers for moderate income housing predevelopment costs. Financing of up to \$500,000 may be provided for a term of at least 25 years at 3% or less for projects with a total cost of up to \$40 million or 80 residential units. The measure appropriates \$3 million General Fund to the Oregon Facilities Authority Account in the 2023-25 biennium for this purpose.

The measure makes changes to notice requirements that must be made available to tenants for termination of residential tenancy for nonpayment and directs courts to dismiss complaints in circumstances where the landlord failed to provide appropriate notice or the tenant has tendered payment for the amount owed through rental assistance or other payment. The Judicial Department is required to translate notice requirements into several languages on its website. Public bodies distributing rental assistance are required to provide dated application receipts to tenants, close applications when tenants are determined to no longer be participating, inform tenants' landlords of payments made to persons other than the landlord, and provide a dated notice of denial or closure of application for rental assistance to the tenant and the landlord.

The measure increases written notice of intention to terminate a rental agreement from 72 hours to 10 days, and from 144 hours to 13 days from when rent is due. It also changes the times for serving summons for eviction proceedings and provides for delays to appear. The circumstances under which default judgements for evictions may be entered are also amended; trials must be scheduled no sooner than 15 days after an appearance pursuant to a summons. Judges and courts are required to seal eviction records in certain circumstances.

The Oregon Department of Agriculture (ODA) is directed to provide grants to improve the health and safety conditions of agriculture workforce housing. The Department of Consumer and Business Services shall assist ODA in establishing the grant application criteria. ODA may enter into a contract with a third party to award or administer the grants. A \$5 million General Fund appropriation to ODA is included for the grants in the 2023-25 biennium. The grant program is repealed on January 2, 2026.

The measure allows HCSD to utilize emergency procurement authority to address homelessness, increase shelter capacity and connections to shelter, provide capacity support to culturally responsive organizations, and provide sanitation services for communities within the OR-505 Oregon Balance of State Continuum of Care (Rural Continuum of Care).

A more complete fiscal analysis on the measure will be prepared as the measure is considered in the Joint Committee on Ways and Means.

Further Analysis Required