

SUBCOMMITTEE RECOMMENDATION

SB 1537 Relating to housing

To: Ways and Means Full Committee
From: Transportation and Economic Development Subcommittee
Carrier: Representative Gomberg

SB 1537 appropriates a total of \$89.5 million General Fund to three agencies: \$10.6 million to the Department of Land Conservation and Development; \$3 million to the Oregon Business Development Department; and \$75.8 million to the Housing and Community Services Department.

The measure creates the Housing Accountability and Production Office and a new Fund, to assist local governments with housing production by providing grants; investigating and responding to complaints of housing law violations; providing optional mediation of land use disputes between local governments and developers; and establishing policy and funding priorities to address barriers to housing production. \$3.6 million will support 28 new permanent full-time positions, \$4 million will be utilized for grants and technical assistance to local governments, and \$3 million is for services and supplies costs associated with positions, professional services, and studies directed by the measure. Other Funds expenditure limitation is included to allow expenditures from the Fund.

The measure directs the Housing and Community Services Department to develop a program to make loans to local jurisdictions, which will in turn award grants to developer's eligible housing project property to cover eligible costs. This program is limited to development of new housing or commercial-to-residential conversions for households earning 120% or less of the median area income. Grant recipients will receive a property tax exemption for developing the property, and in exchange, will pay an

annual fee for a presumptive period of ten years, with exceptions. The measure establishes the Housing Project Revolving Loan Fund. \$75 million is appropriated to the Fund for loans, and \$878,071 is appropriated to the Department for agency administrative costs, supporting 11 new positions. Other Funds expenditure limitation is included to enable expenditures from the Fund.

The Oregon Business Development Department is directed to provide capacity and support to municipalities for the planning and financing of infrastructure for water, sewers and sanitation, stormwater, and transportation to produce housing units. The measure establishes the Housing Infrastructure Support Fund, and allows for Other Funds expenditure limitation for administrative costs of one position and grants to municipalities.

Other Funds expenditure limitation is included to support one new position in the Department of Consumer and Business Services to work on residential code development and technical advice and plans, and will reorganize staff and business processes to carry out duties under the measure.

Two budget notes were included. The first concerns coordination of efforts between OBDD and HAPO, and the other provides for reporting by HAPO on outcomes of requests for urban growth boundary additions.

The Transportation and Economic Development Subcommittee recommends SB 1537 be amended by the –A15 amendment and be reported out do pass, as amended.