

Legislative Fiscal Office

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Joint Committee on Ways and Means

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To: Transportation and Economic Development Subcommittee

From: Michelle Deister, Legislative Fiscal Office

Date: February 27, 2024

Subject: SB 1537 – Relating to housing
Work Session Recommendations

Senate Bill 1537 establishes the Housing Accountability and Production Office (HAPO), which will be administered by the Department of Land Conservation and Development (DLCD) and the Department of Consumer and Business Services (DCBS). The measure also establishes the following funds:

- The Housing Accountability and Production Office Fund, with moneys continuously appropriated to DLCD to administer the fund, operate HAPO, and to implement the measure's provisions;
- The Housing Project Revolving Loan Fund to provide no interest financing of loans to sponsoring jurisdictions for eligible infrastructure costs related to the creation of middle-income housing, administered by the Housing and Community Services Department (HCSD); and
- The Housing Infrastructure Support Fund, administered by the Oregon Business Development Department (OBDD) to provide grants and technical assistance to municipalities for capacity and support for infrastructure planning.

In addition, the bill specifies agency and municipal reporting requirements, and allows for amendments to the urban growth boundaries in certain circumstances for the purposes of building specified types of affordable housing.

The measure previously had hearings in the Senate Housing and Development Committee.

Recommended Changes

LFO recommends adoption of the -A13 amendment, which modifies infrastructure project reporting requirements and makes other technical changes to the bill.

MOTION: I move adoption of the –A13 amendment to SB 1537. (VOTE)

LFO recommends adoption of the -A14 amendment, which provides resources to agencies to administer programs established in the measure. The amendment replaces the appropriations in the measure with \$10.6 million General Fund to DLCD for HAPO, \$75.8 million General Fund to HCSD for the Housing Project Revolving Loan Fund and related administration; \$3 million General Fund to OBDD for the Housing Infrastructure Support Fund; and \$296,944 Other Funds for DCBS to support HAPO. Other Funds limitation is also established for DLCD, HCSD, and OBDD to expend General Fund deposited into funds.

MOTION: I move adoption of the -A14 amendment to SB 1537. (VOTE)

Budget Notes:

Budget Note #1: Reporting on Requested Urban Growth Boundary Additions

The Housing Accountability and Production Office shall consult with housing developers and local governments to produce a report summarizing actions taken by housing developers and local governments under Sections 49-59 (one-time site additions to urban growth boundaries) of SB 1537 (2024) to add sites for housing production to the urban growth boundary. Actions to be reported on include, by location: the proposed number of additional acres; the number of proposed units of housing, including the number of the total with applicable affordability restrictions; and any alternative land exchanges. In instances when proposals for site additions were not successful, the report shall summarize barriers that may have prevented housing developers or local governments from utilizing or completing an urban growth boundary expansion or development of housing under sections 49-59 of SB 1537 (2024). The report shall be presented to members of the Legislative Assembly in the manner provided in ORS 192.245 by June 30, 2025.

Budget Note #2: Housing Infrastructure Report Fund Coordination

The Oregon Business Development Department is directed to coordinate with the Housing Accountability and Production Office with respect to reviewing awarding assistance for infrastructure planning capacity and support provided to cities from the Housing Infrastructure Support Fund, to ensure alignment and coordination of housing production activities and goals.

LFO recommends adoption of a proposed budget notes.

MOTION: I move the LFO recommendation on Budget Notes. (VOTE)

Final Subcommittee Action

LFO recommends that SB 1537, as amended by the -A13 and -A14 amendments, be moved to the Ways and Means Full Committee.

MOTION: I move SB 1537, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____