

# A-Engrossed House Bill 2964

Ordered by the House April 11  
Including House Amendments dated April 11

Sponsored by Representatives GAMBA, JAVADI; Representatives ANDERSEN, BOICE, CHAICHI, DOBSON, HARTMAN, MANNIX, PHAM H, Senators FREDERICK, PATTERSON, TAYLOR (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. The statement includes a measure digest written in compliance with applicable readability standards.

**Digest: This Act makes OHCS provide loans for costs of low cost housing predevelopment. (Flesch Readability Score: 69.9).**

*[Digest: This Act creates a temporary program for OHCS to award grants and loans for housing prep. (Flesch Readability Score: 74.2).]*

Requires the Housing and Community Services Department to award *[grants]* **loans** for the predevelopment costs of affordable housing *[and a grant to assist nonprofits receiving grants or loans under this Act. Sunsets January 2, 2028]. Requires the department to adopt initial rules by June 1, 2026, and to combine other existing predevelopment loan programs.*

*[Establishes the Affordable Housing Predevelopment Loan Fund. Continuously appropriates monies in the fund to the department to award loans for predevelopment costs of affordable housing.]*

*[Appropriates moneys from the General Fund to the department for grants and loans.]*

Declares an emergency, effective on passage.

## A BILL FOR AN ACT

Relating to affordable housing; and declaring an emergency.

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

**SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 458.**

**SECTION 2. (1) The Housing and Community Services Department shall award loans to be used for the predevelopment costs of developing new housing.**

**(2) Eligible predevelopment costs that may be funded by loans under this section include:**

**(a) Professional services, including architectural, engineering, land use planning or legal services;**

**(b) Studies, including site feasibility, market, environmental, traffic, land, zoning, geotechnical, arborist or capital needs assessments;**

**(c) Development fees, including entitlement, permitting or state application fees;**

**(d) Community engagement efforts; or**

**(e) Other costs that can be directly connected to and assist with specific development projects and meet standards developed by the department.**

**(3) Loans provided under this section may not be used to purchase land.**

**(4) To be eligible for loans under this section, the new housing must be subject to an affordability restriction making the property affordable to rent or own by a low income household, as defined in ORS 456.270, for a minimum period as established by the department, and may include housing that is established as part of a limited equity cooperative.**

**(5) Eligible entities for a loan under this section include only recipients that are a:**

**(a) Public benefit or religious nonprofit corporation;**

**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 (b) Federally recognized Indian tribe operating within this state;

2 (c) Housing authority; or

3 (d) Developer that is partnering with an identified entity described under paragraphs (a)  
4 to (c) of this subsection.

5 **SECTION 3.** (1) No later than June 1, 2026, the Housing and Community Services De-  
6 partment shall complete any initial rulemaking to administer the loan program under section  
7 2 of this 2025 Act and develop the loan applications.

8 (2) In adopting rules for, and developing and implementing, the loan program under this  
9 section, the department is directed to combine the program with the existing predevelopment  
10 loan programs operated by the department, including the Predevelopment Loan Program  
11 described in OAR 813-038, but excepting any program for agricultural workforce housing.

12 **SECTION 4.** This 2025 Act being necessary for the immediate preservation of the public  
13 peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect  
14 on its passage.

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