

House Bill 2964

Sponsored by Representative GAMBIA; Representatives HARTMAN, PHAM H, Senators FREDERICK, PATTERSON, TAYLOR (Pre-session 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 **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

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 for the predevelopment costs of affordable housing and a grant to assist nonprofits receiving grants or loans under this Act. Sunsets January 2, 2028.

Establishes the Affordable Housing Predevelopment Loan Fund. Continuously appropriates moneys 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

1
2 Relating to affordable housing; and declaring an emergency.

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

4 **SECTION 1. Sections 2, 3, 5 and 6 of this 2025 Act are added to and made a part of ORS**
5 **chapter 458.**

6 **SECTION 2. (1) The Housing and Community Services Department shall award grants to**
7 **be used for the predevelopment costs of developing housing that will be subject to an**
8 **affordability restriction making the property affordable to rent or own by a low income**
9 **household, as defined in ORS 456.270, for a minimum period as established by the department.**

10 **(2) No later than June 1, 2026, the department shall complete any initial rulemaking to**
11 **administer the grant program under this section and the loan program under section 6 of**
12 **this 2025 Act. As quickly as feasible, the department shall develop the grant and loan appli-**
13 **cations and begin the solicitation of grant or loan applications under this section and section**
14 **6 of this 2025 Act.**

15 **(3) No less than 80 percent of the grants awarded under this section must be to:**

16 **(a) Public benefit and religious nonprofit corporations in this state with gross receipts**
17 **in the corporations' first tax year beginning on or after January 1, 2024, of less than**
18 **\$10,000,000 for development of projects on land owned by the grantee since at least January**
19 **1, 2025;**

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

21 **(c) Local governments, as defined in ORS 197.015;**

22 **(d) Public bodies, as defined in ORS 174.109;**

23 **(e) Housing authorities; or**

24 **(f) Developers who are partnering with an identified entity described under paragraphs**
25 **(a) to (e) of this subsection.**

26 **(4) Grants awarded under this section may not exceed \$200,000 per residential develop-**

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 ment.

2 (5) As used in this section, “predevelopment costs” has the meaning given that term
3 under section 6 of this 2025 Act.

4 **SECTION 3.** On or before July 1, 2026, the Housing and Community Services Department
5 shall award a grant to Leaven Community, a public benefit corporation, to provide technical
6 assistance and resources, including by making connections to nonprofit corporations that
7 have previously developed affordable housing, to entities that may develop affordable housing
8 as described in section 2 (3) or 6 (2) of this 2025 Act.

9 **SECTION 4.** Sections 2 and 3 of this 2025 Act are repealed on January 2, 2028.

10 **SECTION 5.** (1) The Affordable Housing Predevelopment Loan Fund is established in the
11 State Treasury, separate and distinct from the General Fund.

12 (2) The Affordable Housing Predevelopment Loan Fund consists of moneys appropriated,
13 allocated, deposited or transferred to the fund by the Legislative Assembly or otherwise and
14 the proceeds of loans under section 6 (4) of this 2025 Act.

15 (3) Moneys in the fund are continuously appropriated to the Housing and Community
16 Services Department for the eligible costs incurred by the department under section 6 of this
17 2025 Act.

18 **SECTION 6.** (1) The Housing and Community Services Department shall award loans to
19 be used for the predevelopment costs of developing housing that will be subject to an
20 affordability restriction making the property affordable to rent or own by a low income
21 household, as defined in ORS 456.270, for a minimum period as established by the department.

22 (2) No less than 80 percent of the loans awarded under this section must be to:

23 (a) Public benefit and religious nonprofit corporations in this state with gross receipts
24 in the corporations’ first tax year beginning on or after January 1, 2024, of less than
25 \$10,000,000;

26 (b) Federally recognized Indian tribes operating within this state;

27 (c) Local governments, as defined in ORS 197.015;

28 (d) Public bodies, as defined in ORS 174.109;

29 (e) Housing authorities; or

30 (f) Developers who are partnering with an identified entity described under paragraphs
31 (a) to (e) of this subsection.

32 (3) Loans awarded under this section may not exceed \$200,000 per residential develop-
33 ment.

34 (4) Loan proceeds and other moneys recovered under this section shall be paid to the
35 Housing and Community Services Department and deposited into the Affordable Housing
36 Predevelopment Loan Fund established under section 5 of this 2025 Act.

37 (5) The department may adopt a process to forgive the repayment of loans made under
38 this section if, following the use of the loaned moneys, the borrower reasonably determines
39 that development of the affordable housing is not feasible.

40 (6) As used in this section, “predevelopment costs” include, but are not limited to, land
41 surveys, technical site evaluations, assembling finance packages, community engagement
42 efforts to build neighbor or congregation approval, conceptual plan development, traffic
43 studies and soft costs relating to the development including legal fees and market studies.

44 **SECTION 7.** In addition to and not in lieu of any other appropriation, there is appropri-
45 ated to the Housing and Community Services Department, for the biennium beginning July

1 **1, 2025, out of the General Fund, the amount of:**

2 **(1) \$10,000,000 to provide grants under section 2 of this 2025 Act.**

3 **(2) \$10,000,000 for deposit into the Affordable Housing Predevelopment Loan Fund estab-**
4 **lished under section 5 of this 2025 Act.**

5 **(3) \$250,000 to provide a grant under section 3 of this 2025 Act.**

6 **(4) \$125,000 to inform eligible organizations about the availability of grants and loans**
7 **under sections 2 and 6 of this 2025 Act.**

8 **SECTION 8. This 2025 Act being necessary for the immediate preservation of the public**
9 **peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect**
10 **on its passage.**

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