

Housing, Development, and Homelessness



Governor’s Direction and Early Session Legislation

Prior to the start of the 2023 legislative session, on January 10, 2023, Governor Tina Kotek issued [Executive Order 23-02](#), declaring a state of emergency due to homelessness in areas of the state that have experienced an increase in unsheltered homelessness of 50 percent or greater since 2017, and [Executive Order 23-03](#), directing state agencies to prioritize reducing homelessness. [Executive Order 23-04](#) established a statewide annual housing production target of 36,000 new homes and established a Housing Production Advisory Council to develop a ten-year action plan including executive actions, policies and investments needed to meet the annual production target. In tandem, the Governor requested the legislature appropriate \$130 million to fund initial housing production and homelessness investments.

The Legislative Assembly’s response to the Governor’s directive came in the form of the early session housing policy package, [House Bill 2001](#), and corresponding budget package, [House Bill 5019](#). [House Bill 2001](#) addresses housing insecurity by allowing more flexible use of funds for youth experiencing homelessness and extending the time frame when a landlord must notify a tenant before eviction filing. The measure also allocates \$20 million for the development of modular housing (introduced as part of [House Bill 2981 A \[not enacted\]](#) and [Senate Bill 632 \[not enacted\]](#)), \$3 million for predevelopment

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See the 2023 **Legislative Summary Report** for [Housing, Development, and Homelessness](#), which highlights policy measures that received a public hearing during Oregon’s 2023 Regular Legislative Session.

financing for moderate-income housing projects (introduced as [Senate Bill 534 \[not enacted\]](#)), and \$5 million for improvements to existing agricultural workforce housing. In addition, [House Bill 2001](#) establishes the Oregon Housing Needs Analysis as a new framework by which local governments must determine housing need and establish housing production goals across income levels and for various housing types.

As the companion budget bill to [House Bill 2001](#), [House Bill 5019](#) allocates \$24.9 million to help youth experiencing homelessness access shelter and other services; \$85.2 million to expand homeless shelter capacity throughout

the state; \$27.4 million for homeless services efforts in 25 rural Oregon counties; \$5 million for tribal members experiencing homelessness; \$33.6 million for rental assistance and eviction prevention services; and \$2.3 million to support cities and counties with sanitation services related to the homelessness crisis.

Housing Production

According to the Department of Land Conservation and Development (DLCD), Oregon needs to develop more than 550,000 new housing units across income levels to accommodate 20 years of population growth and to account for current underproduction and the lack of units for people experiencing homelessness. DLCD estimates that approximately 49 percent of this housing will require public subsidy. The department reported in its February 2021 Regional Housing Needs Analysis report that underproduction may be attributed to high land and construction costs, inadequate infrastructure, and limited local government capacity, among other factors.

Boosting Oregon's housing supply across regions, income levels, and housing types was a focal point of housing-related legislation in 2023. Measures focused on assessing and reporting on housing need, including [House Bill 2001](#), which revises the statewide framework (Oregon Housing Needs Analysis) in which local governments assess, plan for, and develop needed housing. [House Bill 2889](#) clarifies and adds provisions to this legislation.

While the Oregon Housing Needs Analysis applies to cities with populations of over 10,000, [Senate Bill 406](#) requires all cities and specified unincorporated communities in Tillamook County, regardless of size, to assess and develop a strategy to produce needed housing in those areas. [House Bill 3309](#) directs Oregon Housing and Community Services (OHCS) to assess and develop incentives for increasing the quality and quantity of state-funded

residential units that include accessibility features.

A number of policy measures proposed funding for land acquisition and construction costs to build new low- and moderate-income housing units. Several measures or components were enacted as part of [House Bill 3395](#), including: \$20 million for the Affordable Housing Loan Guarantee Fund to finance the construction of low- and moderate-income housing (introduced as part of [House Bill 2981](#) *[not enacted]*); \$4 million in grants to nonprofit organizations supporting affordable housing for low-income college students (introduced as [House Bill 2897](#) *[not enacted]*); and \$10 million in grant moneys for nonprofits and partner developers building housing for agricultural employees and their families (introduced as [House Bill 3555 A](#) *[not enacted]*).

Among the proposed development-related measures that did not pass were [House Bill 3482 A](#) *(not enacted)* which proposed allocating funding to non-profit and faith-based communities for the development of affordable housing; [House Bill 2980 A](#) *(not enacted)*, which proposed a revolving loan fund to support local governments in developing needed housing; and [House Bill 2983 A](#) *(not enacted)*, which would have allocated funds for the acquisition, preservation, and development of manufactured dwelling parks.

Efforts to address rural development were included in [House Bill 3138](#) *(not enacted)*, which would have allocated \$30 million to support public-private partnerships in rural communities with populations of 50,000 or fewer. [House Bill 3268 A](#) *(not enacted)* would have established a Rural System Development Charges (SDCs) program within OHCS to assist rural governments in paying for SDCs assessed for affordable multifamily housing projects.



Homelessness and Emergency Housing

The House and Senate housing committees heard testimony about resources needed for homelessness and sheltering during the 2023 session, including challenges in accessing emergency housing following natural disasters such as the 2020 Labor Day Fires. [House Bill 2454](#) (*not enacted*) and [House Bill 2456](#) (*not enacted*) did not pass individually but were instead incorporated into [House Bill 2001](#). This legislation expands the use of Emergency Housing Account funding for organizations supporting, and individuals who are, school-aged children or their families experiencing or at risk of experiencing homelessness. [Senate Bill 496 A](#) (*not enacted*) would have allocated funding for Emergency Housing Account grants to cover pet assistance for individuals experiencing or at risk of homelessness; this bill did not pass, but the provisions allowing existing funding to include support for companion animals and their owners passed as part of [House Bill 3395](#).

[Senate Bill 893](#) directs Oregon Housing and Community Services (OHCS) to update its funding structure based on recommendations from the [Task Force on Homelessness and Racial Disparities](#), and allows the agency to develop homelessness-specific programs. [Senate Bill 918 A](#) (*not enacted*) would have established the Oregon Housing Justice Program and provided funding for culturally specific and culturally responsive organizations for certain homelessness and housing stability-related purposes.

Related to disaster or emergency housing, [House Bill 3215](#) establishes the Disaster Housing Recovery Fund, allowing OHCS to allocate funds related to housing loss due to a disaster. [House Bill 3462](#) directs agencies to ensure temporary housing in response to emergencies complies with nondiscrimination laws, and allows them to support recipients

otherwise ineligible for federal resources, including undocumented Oregonians. [Senate Bill 1012 A](#) (*not enacted*), would have authorized a county to allow property owners rebuilding homesteads destroyed by the September 2020 wildfires to obtain a specially assessed value for property taxation. [House Bill 3209](#) (*not enacted*) would have allocated \$75 million to OHCS for emergency housing for low-income, service-disabled veterans and their families.

[Senate Bill 603](#) (*not enacted*) would have established the People's Housing Assistance Fund Demonstration Program. This pilot project would have provided moneys to individuals who are experiencing or at risk of homelessness, cost-burdened, or earning 60 percent or less of the area median income, with a report on the program to be provided to the legislature. Provisions of [Senate Bill 847 A](#) (*not enacted*) enacted as part of [House Bill 3395](#), requires the approval of emergency shelter siting in certain conditions, such as when point-in-time counts record 0.18 percent or more of the state population as homeless.

Homeownership

Based on recommendations from the [Joint Task Force on Addressing Racial Disparities in Home Ownership](#), [Senate Bill 702](#) adds implicit and racial bias training to educational requirements for real estate appraisers. The provisions of [Senate Bill 937](#) (*not enacted*)—to provide low interest rates for first-time home buyers in limited-equity and affordable housing—passed as part of [House Bill 3395](#). Other bills based on Task Force recommendations that did not pass include [House Bill 3487](#) (*not enacted*), would have directed specific agencies to report on disparities in homeownership by communities of color and work with organizations to reduce those disparities; [House Bill 3488 A](#) (*not enacted*) would have granted money to culturally responsive and culturally specific organizations and funded enforcement of fair



housing laws; [House Bill 3492 A](#) (*not enacted*) would have developed a pilot program to fund the full purchase price of a home through a special purpose credit program; and [Senate Bill 936](#) (*not enacted*) would have granted money for the development of single-family homes for low-income households through culturally responsive partnerships.

Homeowners associations received attention through [Senate Bill 437 A](#) (*not enacted*), which would have prevented planned communities from prohibiting certain types of food production, and [Senate Bill 503 A](#) (*not enacted*), which would have removed the requirement for unanimous consent of owners for changes to a planned community's voting rights, liability for common expenses, or right to common profits. Provisions of [Senate Bill 847 A](#) (*not enacted*) were enacted as part of [House Bill 3395](#), requiring residential condominiums and homeowners associations to remove discriminatory provisions in declarations and bylaws. The bill also clarifies the definition of planned communities and grants the Real Estate Commissioner the exclusive right to regulate property submission to condominium provisions of Oregon statute.

Other homeownership-related bills that did not pass include [House Bill 3092 A](#) (*not enacted*), which would have defined residential property wholesaling and required registration and other criteria to engage in the practice, and [Senate Bill 898](#) (*not enacted*), which would have added a supplemental property disclosure statement for residential property resellers in certain conditions.

Land Use and Planning

To support local government capacity in planning for and building needed housing, [House Bill 3395](#) includes \$5 million in grant funding for councils of governments, economic development districts, and local governments (introduced as part of [House Bill 3174](#) [*not*

enacted]). [House Bill 3414 B](#) (*not enacted*), would have created a Housing Accountability and Production Office within the Department of Land Conservation and Development and allocated funds to the Office to support local governments in making improvements to their approval processes for residential development projects as required by the measure.

Related to the local government review and approval process, [House Bill 3414 B](#) (*not enacted*) would have required local governments to grant a one-time adjustment to certain development and design standards for an application for residential development. The measure would also have allowed cities within and outside the Portland Metro area to amend the city's urban growth boundary for a specified site that met specific criteria. [House Bill 3197](#) clarifies the definition of the "clear and objective standards" a local government must apply in reviewing applications for development within an urban growth boundary. [House Bill 3395](#) extends the time localities have to take action on permits and expands the type of funding that can be used as assurance for affordable housing developments (these provisions were introduced as part of [Senate Bill 847 A](#) [*not enacted*]).

Efforts to modify land use or other regulatory barriers to developing or locating housing included [House Bill 3442](#), which allows local governments to approve affordable housing in coastal communities, subject to natural disaster and hazard constraints, and [Senate Bill 1013](#), which permits counties to allow rural-area landowners to site one recreational vehicle on properties that meet certain conditions. Local governments are directed by [House Bill 2984](#) to allow the conversion of a building from commercial to residential use without requiring a zone change or conditional use permit, provided the property on which the building is located meets specified requirements. [House Bill 3395](#) restricts local governments from prohibiting residential uses on commercial land



within urban growth boundaries, subject to conditions, including affordability requirements. It also allows public utilities to sell or gift interest in real property for affordable housing development, allows single-exit multi-family dwellings, and requires single-room occupancy and duplex development be allowed in certain conditions.

The Department of Land Conservation and Development was granted \$1.25 million as part of [House Bill 3395](#) to help local governments update their comprehensive plans in regards to duplex development on single-family-zoned land (these provisions were all introduced as part of [Senate Bill 847 A](#) [*not enacted*]). [House Bill 2506 A](#) (*not enacted*), would have expanded the definitions of “residential facility” and “residential home” to include behavioral health housing and clarified the local government approval process for this type of residential use.

Changes to state law governing Oregon Housing and Community Services (OHCS) creates flexibility for the agency to approve and fund housing development and other programs. [Senate Bill 892](#) served as an OHCS statutory “cleanup” bill, which extends tribal access to agency housing funds and allows OHCS to provide direct loans for down payment assistance and closing costs. The measure also adjusts rulemaking authority between the agency and the Housing Stability Council and expands the agency’s procurement authority. [Senate Bill 225](#) allows OHCS to use pass-through revenue bonds during a blackout period, closing previous financing gaps to some affordable housing projects. [House Bill 2761](#) increases the agency’s flexibility in financing mixed-income housing projects.

Rental Housing

Addressing rising rental costs and preserving affordable rental housing units were focal points of 2023 session policies. [Senate Bill 611](#) caps rent increases on affected units at 10 percent

per year, whereas the previous limit had been seven percent plus consumer price index inflation over the previous year, calculated at 14.6 percent for calendar year 2023. These provisions apply statewide. [House Bill 3503](#) (*not enacted*) would have removed the state prohibition on local rent control limits, but it did not pass. [House Bill 3042](#) covers the three years following a rental unit’s withdrawal from the publicly supported housing inventory and limits evictions and rent increases to once per year during that time frame.

Landlord and tenant relations also came into play in 2023. [Senate Bill 1069](#) modernizes rental processes by allowing electronic delivery of notices and refunds to tenants, and [House Bill 2680](#) requires a landlord to refund a screening charge if the unit is filled or the application is withdrawn before the screening takes place. [Senate Bill 799](#) (*not enacted*) did not pass, but its provisions were incorporated into [House Bill 2001](#). Those provisions include, but are not limited to, extending notification time frames for nonpayment-based evictions, requiring landlords to deliver a notice to tenants specifying their rights and resources, and providing for setting aside judgments and eviction-related court records. [House Bill 3417](#) expands the Housing Choice Landlord Guarantee program to cover damages caused by tenants receiving rental assistance from certain initiatives.

Rental housing policies not passed in 2023 include [House Bill 3237](#) (*not enacted*), which would have allowed local ordinances establishing maximum screening charges for tenants, and [House Bill 3526](#) (*not enacted*), which would have reduced the time frame of the termination notice requirement when a landlord is selling a dwelling unit. [Senate Bill 601](#) (*not enacted*) would have given multifamily rental tenants the right of first refusal when the property is sold, but it also did not pass.

Interest in recreational vehicles (RVs) and manufactured dwelling parks as two forms of



“naturally occurring” affordable housing yielded two policies in 2023. [House Bill 2634](#) clarifies that RVs are not subject to Landlord and Tenant Act provisions governing manufactured dwelling parks and expands the definition of “vacation occupancy” at RV parks. [House Bill 3151](#) restricts what manufactured dwelling park owners can require tenants to construct or repair as part of their rental agreements, along with some changes to dwelling park development and siting, and dispute resolution.

The Healthy Homes Program was created by [House Bill 2842](#) (2021) to provide financial assistance to low-income households and communities disproportionately affected by environmental pollution or other hazards, and to landlords to repair and rehabilitate residential dwelling units. [House Bill 2987](#) gives the Oregon Health Authority the authority to determine the percentage of a grant Healthy Homes Program recipients may use for administrative expenses. It also allows grant money to be used for program delivery.

property owner to apply for a five-year tax exemption from certain property taxes. This exemption comes into play if the property hosts a new accessory dwelling unit or a single-family unit that has been converted into a multiplex, and if during the exemption period the property no longer qualifies for the exemption, then back taxes would be due.

[Senate Bill 67](#) (*not enacted*), would have created an income tax credit for rental income not received by landlords during the COVID-19 emergency period from January 1, 2020, to January 1, 2022. [House Bill 2653 A](#) (*not enacted*) would have created an income tax credit for the seller of publicly supported housing being retained as affordable, and [House Bill 3032](#) (*not enacted*) would have established an income tax subtraction for taxpayers renting out one or more rooms in their primary residence, subject to certain restrictions.

Tax Credits and Exemptions

In the 2023 Regular Session, the Legislative Assembly extended the timeline for several housing-related tax credits. [House Bill 2080](#) (introduced as [Senate Bill 147](#) [*not enacted*]) extends the sunset of a tax credit for certain new or rehabilitated single-unit housing until January 1, 2030. [House Bill 2071](#) (introduced as [Senate Bill 131](#) [*not enacted*]) extends the sunset of a business tax credit for specified housing projects with qualified loans certified by Oregon Housing and Community Services until January 1, 2032. That bill adds provisions covering limited equity cooperatives to the credit as a type of qualifying housing project.

The Legislative Assembly also created a new property tax exemption through [Senate Bill 919](#). If taxing districts covering 51 percent or more of the property’s tax bill agree, then the local jurisdiction may pass an ordinance allowing the



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