

DRAFT

SUMMARY

Digest: This Act sets up a bond fund to preserve low-cost housing and requires OHCS to report on low-cost housing barriers. (Flesch Readability Score: 63.8).

Establishes the Preserve Affordable Homes for Oregon Fund to deposit Article XI-Q bonds to be used to preserve affordable housing at risk of loss.

Requires the department to, with input from stakeholders, report to the interim committees of the Legislative Assembly relating to housing on or before December 1, 2026, on legal and policy barriers to affordable housing production.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

Relating to affordable housing; creating new provisions; amending ORS 456.559 and 456.824 and section 1, chapter 630, Oregon Laws 2025; and declaring an emergency.

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

SECTION 1. Section 2 of this 2026 Act is added to and made a part of ORS 456.766 to 456.828.

SECTION 2. (1) The Preserve Affordable Homes for Oregon Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned on moneys in the Preserve Affordable Homes for Oregon Fund shall be credited to the fund.

(2) The fund consists of moneys deposited into the fund from bonds issued by the State Treasurer pursuant to ORS 286A.035 for the Housing and Community Services Department to be used for affordable housing preservation.

1 **(3) Moneys in the fund are continuously appropriated to the de-**
2 **partment to:**

3 **(a) Acquire, construct, remodel, repair, equip or furnish affordable**
4 **housing at risk of loss, as described in ORS 456.824 (2), that is or will**
5 **be owned or operated, as those terms are defined in ORS 458.480, by**
6 **the State of Oregon for the purpose of providing affordable housing;**

7 **(b) Pay the costs incurred by the department to administer the**
8 **fund; and**

9 **(c) Pay bond-related costs, as defined in ORS 286A.816.**

10 **SECTION 3. On or before December 1, 2026, the Housing and Com-**
11 **munity Services Department shall submit a report in the manner**
12 **provided by ORS 192.245 to the interim committees of the Legislative**
13 **Assembly related to housing that incorporates feedback from key**
14 **stakeholders, including affordable housing providers, finance entities**
15 **and tenant advocates and that:**

16 **(1) Evaluates and offers improvements to any state laws or prac-**
17 **tices, policies or rules of the department that negatively impact the**
18 **efficiency and cost of providing affordable housing; and**

19 **(2) Evaluates opportunities to streamline federal compliance or re-**
20 **porting requirements of affordable housing providers that are admin-**
21 **istered by the department.**

22 **SECTION 4. ORS 456.824 is amended to read:**

23 456.824. The Housing and Community Services Department shall establish
24 and maintain an affordable housing preservation program to coordinate af-
25 fordable housing preservation efforts and incentivize the analysis and pres-
26 ervation of affordable housing, including publicly supported housing and
27 manufactured dwelling parks. Under the program, the department shall:

28 **(1) Collect and maintain data from local, state and federal sources on af-**
29 **fordable housing in this state, including the status of existing affordability**
30 **restrictions and rental assistance contracts at publicly supported housing.**

31 **(2) Identify categories of affordable housing at risk of loss, including:**

(a) Properties with expiring federal rent assistance contracts;

(b) Properties with expiring affordability restrictions;

(c) Properties with affordability restrictions in physical or financial distress; and

(d) Manufactured dwelling parks at risk of sale or closure.

(3) Take actions to promote housing stability, for residents of:

(a) Affordable housing that is at risk of loss or that has been recently lost; or

(b) Residents of manufactured dwelling parks or marinas at risk of sale or closure.

(4) Establish and periodically update evaluation criteria for affordable housing preservation [*investments*].

(5) Identify and aggregate available sources of funding, including moneys available from federal and private grants or programs, appropriations by the Legislative Assembly, existing funds of the department or financing available from Article XI-Q bond proceeds under ORS 286A.824 or 458.480 to 458.490 **or section 2 of this 2026 Act** or proceeds of other bonds issued by the State Treasurer, and use such sources of funding to implement preservation [*investments for*] **of** affordable housing in accordance with the established evaluation criteria.

(6) Regularly analyze operating expenses of the existing portfolio of publicly supported housing that is funded by the department to inform the department's underwriting standards for financing the construction of new and the preservation of existing publicly supported housing and to inform forecasts of preservation funding needs.

(7) Regularly update and publish an affordable housing preservation strategy framework report that includes information identified in subsections (1) and (2) of this section and forecasts the financial need to preserve affordable housing.

(8) Execute the duties of the department under ORS 456.766 to 456.828.

SECTION 5. Section 1, chapter 630, Oregon Laws 2025, is amended to

read:

Sec. 1. The amounts authorized, as provided by ORS 286A.035, for issuance of general obligation bonds of the state during the 2025-2027 biennium are as follows:

GENERAL OBLIGATION BONDS

General Fund Obligations

(1) Higher Education Coordinating

Commission (Art. XI-G):

(a) Clackamas Community College,

Center for Excellence for

Farming, Horticulture and

Wildland Fire \$ 8,085,000

(b) Klamath Community College,

Cosmetology ADA

Remediation \$ 4,045,000

(c) Mt. Hood Community College,

Classroom and Lab

Renovations \$ 8,085,000

(d) Clatsop Community College,

Maritime Science Building..... \$ 7,985,000

(e) Southwestern Oregon

Community College, Student

Uplift and Collaboration

Create Expanded Support

Success..... \$ 8,085,000

(f) Portland State University,

Portland Center for the

Performing Arts Academic

Building \$ 85,660,000

(g) University of Oregon, Child

1	Behavioral Health Building.....	\$	17,920,000
2	(h) Southern Oregon University,		
3	Creative Industries/Student		
4	Success.....	\$	2,485,000
5	(i) Western Oregon University,		
6	Data Center.....	\$	715,000
7	(2) Oregon Business Development		
8	Department (Art. XI-M)	\$	100,910,000
9	(3) Oregon Business Development		
10	Department (Art. XI-N).....	\$	50,580,000
11	(4) Department of Education		
12	(Art. XI-P)	\$	50,455,000
13	(5) Oregon Department of		
14	Administrative		
15	Services (Art. XI-Q):		
16	(a) Housing and Community		
17	Services Department:		
18	(A) Local Innovation and Fast		
19	Track (LIFT) Affordable		
20	Rental Housing Program	\$	468,220,000
21	(B) Local Innovation and Fast		
22	Track (LIFT) Homeownership		
23	Program	\$	100,910,000
24	(C) Permanent Supportive		
25	Housing Program.....	\$	80,760,000
26	(D) Preserve Affordable Homes		
27	for Oregon Fund.....	\$	_____
28	(b) Department of Corrections:		
29	(A) Capital Improvement and		
30	Renewal	\$	50,455,000
31	(B) Computerized Maintenance		

1	Management System.....	\$	2,285,000
2	(C) Institution Staff Deployment		
3	System Replacement (ISDS).....	\$	625,000
4	(D) Wireless Communication		
5	System.....	\$	13,040,000
6	(c) State Forestry Department:		
7	(A) Klamath Fire Cache		
8	Warehouse Replacement.....	\$	1,723,800
9	(B) Santiam Facility Replacement,		
10	Phase I.....	\$	1,115,400
11	(C) State Forester, Office		
12	Building Restoration.....	\$	520,200
13	(D) Toledo Facility Replacement,		
14	Phase III.....	\$	2,542,388
15	(E) Veneta Campus Remodel.....	\$	4,404,427
16	(d) State Department of		
17	Fish and Wildlife:		
18	(A) Capital Improvements,		
19	Hatchery Facilities	\$	20,180,000
20	(B) North Willamette Watershed		
21	District Office	\$	5,320,000
22	(e) Oregon Health Authority,		
23	Oregon State Hospital		
24	Capital Improvements		
25	and Equipment.....	\$	7,545,000
26	(f) Judicial Department,		
27	Morrow County Courthouse	\$	2,535,000
28	(g) Oregon Military Department:		
29	(A) Medford Field Maintenance		
30	Shop.....	\$	6,680,000
31	(B) Klamath Falls Readiness		

1	Center	\$	2,035,000
2	(C) Linn County Readiness		
3	Center	\$	7,080,000
4	(h) Department of State Police:		
5	(A) Area Command Center		
6	Property Acquisition	\$	3,540,000
7	(B) Springfield Patrol Area		
8	Command Office.....	\$	7,360,000
9	(i) Oregon Youth Authority:		
10	(A) Capital Improvements,		
11	All Facilities.....	\$	5,070,000
12	(B) CCTV and Access Control		
13	Improvement, Phase IV.....	\$	5,630,000
14	(C) JJIS IT System		
15	Modernization	\$	12,295,000
16	(D) MacLaren Infirmary and		
17	Pharmacy Renovation and		
18	Expansion.....	\$	2,735,000
19	(E) Camp Riverbend Dorm		
20	Renovation	\$	8,960,000
21	(F) MacLaren West Cottages		
22	Renovations	\$	4,045,000
23	(G) Oak Creek Youth Correctional		
24	Facility.....	\$	4,045,000
25	(H) Tillamook Dorm Renovation.....	\$	12,015,000
26	(I) Tillamook Medical and Dental		
27	Renovations	\$	825,000
28	(j) Department of Public Safety		
29	Standards and Training:		
30	(A) Learning Management		
31	System.....	\$	3,510,000

1	(B)	Deferred Maintenance.....	\$	3,280,000
2	(k)	Department of Environmental		
3		Quality, Laboratory and		
4		Monitoring Equipment	\$	1,350,000
5	(L)	Higher Education Coordinating		
6		Commission:		
7	(A)	Public Universities Capital		
8		Improvement and Renewal.....	\$	120,930,000
9	(B)	University of Oregon, Child		
10		Behavioral Health Building	\$	35,855,000
11	(C)	Southern Oregon University,		
12		Creative Industries/Student		
13		Success.....	\$	38,470,000
14	(D)	Western Oregon University,		
15		Data Center	\$	12,555,000
16	(m)	State Department of		
17		Agriculture, Project		
18		OneODA	\$	6,185,000
19	(n)	Oregon Public Defense		
20		Commission, Financial Case		
21		Management System	\$	13,915,000
22	(o)	Department of Justice,		
23		Legal Tools Replacement		
24		System 3.0	\$	13,455,000
25	(p)	Department of Revenue,		
26		Electronic Valuation		
27		Information System	\$	2,035,000
28	(q)	Oregon Department of Emergency		
29		Management, Resiliency Grant		
30		Fund established under		
31		ORS 401.552.....	\$	10,140,000

1	(r)	Oregon Business Development	
2		Department, Coos Bay Channel	
3		Modification.....	\$ 100,815,000
4	(6)	Department of	
5		Transportation (Art. XI,	
6		section 7), Interstate 5	
7		Bridge Replacement Project	\$ 251,825,000
8		<u>Dedicated Fund Obligations</u>	
9	(7)	Department of Veterans'	
10		Affairs (Art. XI-A)	\$ 116,000,000
11	(8)	Higher Education Coordinating	
12		Commission (Art. XI-F(1)):	
13	(a)	Portland State University,	
14		Portland Center for the	
15		Performing Arts Parking	
16		Structure	\$ 53,010,000
17	(b)	Portland State University,	
18		Student Housing	\$ 85,660,000
19	(9)	Department of Environmental	
20		Quality (Art. XI-H)	\$ 20,080,000
21	(10)	Housing and Community	
22		Services Department	
23		(Art. XI-I(2))	\$ 50,000,000
24	(11)	Oregon Department of	
25		Administrative Services	
26		(Art. XI-Q):	
27	(a)	Oregon Department of	
28		Administrative Services,	
29		Labor and Industries Building	
30		Renovation and Seismic	
31		Upgrade	\$ 126,080,000

(b)	State Forestry Department:		
(A)	Klamath Fire Cache Warehouse		
	Replacement	\$	3,346,200
(B)	Santiam Facility Replacement,		
	Phase I.....	\$	3,954,600
(C)	State Forester, Office		
	Building Restoration.....	\$	1,009,800
(D)	Toledo Facility Replacement,		
	Phase III.....	\$	3,532,612
(E)	Veneta Campus Remodel.....	\$	6,430,573
(c)	Department of Veterans'		
	Affairs:		
(A)	Department of Veterans'		
	Affairs Salem HVAC		
	Controls Replacement,		
	Phase II	\$	1,585,000
(B)	Department of Veterans'		
	Affairs Salem Roof		
	Replacement	\$	1,230,000
(d)	Oregon Liquor and Cannabis		
	Commission:		
(A)	Liquor Warehouse Management		
	Management IT System	\$	8,090,000
(B)	Liquor Warehouse Conveyor		
	System.....	\$	10,125,000
(C)	Liquor Warehouse Land		
	and Building	\$	46,330,000
	<u>Total General Obligation</u>		
	<u>Bonds</u>	\$	2,340,290,000

SECTION 6. ORS 456.559 is amended to read:

456.559. (1) The Housing and Community Services Department shall:

(a) Maintain current housing data and information concerning available programs, status of funding, programs planned or undertaken which might conflict with, overlap, duplicate or supersede other planned or existing programs and call these to the attention of appropriate state agencies, governmental bodies and public or private housing sponsors.

(b) Maintain current data on publicly supported housing as provided under ORS 456.824.

(c) Provide to appropriate state agencies, governmental bodies and public or private housing sponsors such advisory and educational services as will assist them in the development of housing plans and projects.

(d) Subject to the approval of the Oregon Housing Stability Council, make noninterest bearing advances, in accordance with ORS 456.710 and the policies of the department, to qualified nonprofit sponsors for development costs of housing projects until mortgage funds are released to repay the advances as provided in ORS 456.710.

(e) Advise and assist appropriate state agencies, governmental bodies and public or private housing sponsors, cities and counties, in all programs and activities which are designed or might tend to fulfill the purposes of ORS 456.548 to 456.828 and ORS chapter 458.

(f) Encourage and assist in the planning, development, construction, rehabilitation and conservation of dwelling units for persons and families of lower income.

(g) Be the central state department to apply for, receive and distribute, on behalf of appropriate state agencies, governmental bodies and public or private housing sponsors in the state, grants, gifts, contributions, loans, credits or assistance from the federal government or any other source for housing programs except when the donor, grantor, or lender of such funds specifically directs some other agency to administer them. Moneys received under this section shall be deposited with the State Treasurer in an account separate and distinct from the General Fund. Interest earned by the account shall be credited to the account.

(h) For the purposes of acquiring moneys, credits or other assistance from any agency or instrumentality of the United States or from any public corporation chartered by the United States, comply with any applicable agreements or restrictions for the receipt of such assistance and become a member of any such association or public corporation chartered by the United States.

(i) Assist individuals, appropriate state agencies, governmental bodies and public or private housing sponsors through a program which provides housing information, planning, educational services and technical assistance.

(j) Comply with the requirements of ORS 443.225 in assisting in the development of any housing for residential care, training or treatment for persons with intellectual or developmental disabilities or mental or emotional disturbances.

(2) Except as otherwise provided in ORS 456.625 (7), 456.766 to 456.828, 458.315 (3) and 458.480 to 458.490 **and section 2 of this 2026 Act**, the department may not itself develop, construct, rehabilitate or conserve housing units; and neither the department nor any housing sponsor, including but not limited to any association, corporation, cooperative housing authority or urban renewal agency organized to provide housing and other facilities under ORS 456.548 to 456.828, may own, acquire, construct, purchase, lease, operate or maintain utility facilities, including facilities for the generation of electricity, for the distribution of gas and electricity, and for the conveyance of telephone and telegraph messages.

(3) In accordance with the provisions of this section and with the advice of the council, the department shall establish statewide priorities for housing programs. State agencies shall coordinate their housing programs with the department. All state agencies intending to apply for federal funds for use in planning, developing or managing housing, or rendering assistance to governmental bodies or sponsors or individuals involved therein shall submit a description of the proposed activity to the department for review not less than 30 days prior to the intended date of submission of the application to the federal agency. The department shall determine whether the proposal

would result in a program that would overlap, duplicate or conflict with any other housing program in the state. If the department finds overlapping or duplication or conflict, it shall recommend modifications in the application. The Oregon Department of Administrative Services shall consider these recommendations in making its decision to approve or disapprove the application. The department shall complete its review and forward its recommendations within 15 working days after receipt of the notification. Failure of the department to complete the review within that time shall constitute approval of the application by the department.

(4) The Director of the Housing and Community Services Department may participate in discussions and deliberations of the council. The director may suggest policies to the council, including those necessary to stimulate and increase the supply of housing for persons and families of lower income.

SECTION 7. This 2026 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2026 Act takes effect on its passage.