

HB 4036 -2 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/3, 2/10

WHAT THE MEASURE DOES:

The measure establishes a state fund to preserve affordable housing at risk of loss by providing ongoing funding to the Housing and Community Services Department for acquisition, construction, rehabilitation, or equipping. The measure authorizes the use of bond proceeds to support affordable housing preservation, allows the department to cover administrative and bond-related expenses, and requires the department to report to the Legislature on opportunities to improve efficiency and reporting requirements affecting affordable housing providers. The measure declares an emergency and becomes effective on passage.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: Revenue impact issued

ISSUES DISCUSSED:

- Current affordable housing statewide stock
- Renovation and rehabilitation costs and funding sources for affordable housing

EFFECT OF AMENDMENT:

-2 The amendment renames the fund to the Housing Opportunity, Longevity and Durability (HOLD) Fund in the State Treasury. It expands the scope of the report OHCS needs to submit to the Legislature to include evaluation of state laws, policies, practices, and rules that affect the efficiency, effectiveness, and cost of operating affordable housing, as well as opportunities to streamline or eliminate state and federal reporting requirements administered by the department. The amendment revises the definition of affordable housing in distress to clarify that physical distress includes building systems, components, or materials that have exceeded or are reasonably expected to exceed their effective useful lives. The amendment appropriates \$100 million for the Housing Opportunity, Longevity and Durability Fund. The amendment also increases the total amount of authorized general obligation bonds accordingly.

BACKGROUND:

Preserving existing affordable housing is a key component of Oregon's housing strategy because as affordable housing properties age, they may face physical deterioration, financial stress, or the expiration of affordability restrictions tied to federal or state programs. Without timely reinvestment, these properties are at risk of converting to market-rate housing or falling into disrepair, which can reduce the supply of affordable units and destabilize housing for low-income residents. The Oregon Housing and Community Services Department (OHCS) supports affordable housing preservation by investing in the rehabilitation, stabilization, and long-term affordability of existing multifamily housing, particularly properties with expiring federal rental assistance or affordability covenants.