

LEGISLATIVE FISCAL OFFICE  
900 Court Street NE, Room H-178  
Salem, Oregon 97301  
(503) 986-1828



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WAYS AND MEANS

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**To:** Capitol Construction Subcommittee  
**From:** Michelle Deister, Legislative Fiscal Office  
**Date:** March 2, 2026  
**Subject:** HB 4036 – Relating to affordable housing  
Work Session Recommendations

The measure establishes the Housing, Opportunity, Longevity and Durability (HOLD) Fund, which is continuously appropriated to the Housing and Community Services Department (HCSD) to preserve affordable housing at risk of loss due to expiring federal or local affordability restrictions, financial distress, and physical rehabilitation needs. The measure authorizes the use of bond proceeds, including general obligation bonds of the state, to support affordable housing preservation and allows HCSD to cover administrative and bond-related expenses. HCSD is required to report to the Legislature with recommendations and feedback from housing partners on possible changes to state laws, agency policies, practices, and rules that to improve the operation of affordable housing. The measure revises the definition of affordable housing in physical distress to include building systems, components, or materials that have exceeded or are reasonably expected to exceed their effective useful lives.

The -A4 amendment eliminates the authorization of additional Article XI-Q bonds, which are included in the omnibus bond authorization measure. The amendment includes \$150,000 General Fund for legal review associated with changes to contract language, bond covenants and program rules necessary for utilizing Article XI-Q bonds for affordable housing preservation. Other Funds expenditure limitation of \$145,175 is included for one permanent Program Analyst 3 position (0.50 FTE) to manage preservation transactions financed with Article XI-Q Bond proceeds. This position will be supported by program fee revenue.

## **Amendment**

LFO recommends adoption of the –A4 amendment.

MOTION: I move adoption of the –A4 amendment to HB 4036. *(vote)*

### Final Subcommittee Action

LFO recommends that HB 4036, as amended by the –A4 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 4036, as amended, to the Full Committee with a do pass recommendation. *(vote)*

### Carriers

Full Committee: \_\_\_\_\_

House Floor: \_\_\_\_\_

Senate Floor: \_\_\_\_\_