

SB 32 -1 STAFF MEASURE SUMMARY

Senate Committee On Housing and Development

Prepared By: Kaia Maclaren, LPRO Analyst

Meeting Dates: 3/3

WHAT THE MEASURE DOES:

The measure directs the Housing and Community Services Department to study housing.

Fiscal impact: May have fiscal impact, but no statement yet issued.

Revenue impact: May have revenue impact, but no statement yet issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Replaces the measure. Requires that, on or before July 1, 2026, the Housing and Community Services Department publish information in their possession onto their public website regarding publicly-supported affordable housing developments. Specifies information to be included:

- The expiration dates of affordability-restrictions;
- the number of housing units;
- the type and source of the rental assistance used;
- income eligibility levels; and
- current preservation efforts, if any.

Takes effect on the 91st day following adjournment sine die.

BACKGROUND:

Oregon Housing and Community Services (OHCS, referred to as the Housing and Community Services Department in Oregon Statute) is Oregon’s housing finance agency, responsible for program support and for distributing and overseeing funds provided by the state. OHCS runs or oversees a variety of housing-stability programs, housing assistance for both renter and homeowners, development financing, and homelessness prevention, among other responsibilities. The General Fund is a significant source of OHCS’s budget, providing \$618.3 million of the total budget of \$3.4 billion in the 2023-2025 biennium. According to the [2023-2025 detailed budget analysis](#) by the Legislative Fiscal Office (LFO), the sharp increase in housing prices, interest rates, and costs associated with development have driven housing insecurity among Oregonians while also having significant impacts of the growing budget needs of OHCS. According to LFO, “[OHCS]’s budget has increased by nearly \$1.4 billion total funds since the 2003-2005 biennium. The change reflects increases in population growth, economic factors ranging from interest rates and lending environments to recessions (driving the need for additional housing assistance), and an increased focus on the contributions that stable housing can make to health outcomes, educational attainment, and lower levels of crime and recidivism.”

The scarcity of housing in Oregon, driven by underproduction since the financial crisis of 2008 and high population growth (nearly 11% between 2010 and 2020), has led to very little naturally-occurring (which refers to market-rate; without subsidy) affordable housing remaining in Oregon. The mismatch of supply of housing and demand for it has increased the gap between average renter-income and housing costs, such that between [2020 and 2022](#), an additional \$2 of income went towards rent for every additional \$1 wage increase. About one affordable unit now exists for every 4.2 low- and extremely-low-income families in the state. Housing with

SB 32 -1 STAFF MEASURE SUMMARY

affordability restrictions provide units to low-income tenants at below-market-rate rents, and include income limits, rent limits based on income, and affordability periods under which they are guaranteed to maintain these restrictions. These restrictions might expire for a variety of reasons: a unit or development previously maintained by an affordable-housing provider may be sold, to transferred to market rate. A development build with Low Income Housing Tax Credit (LIHTC) funds may reach its maturity in which they can transition to market-rate after a mandated-period of affordability. [Oregon Housing and Community Services report](#) that 9,582 units will expire in Oregon in the next ten years, and 56,413 have affordability restrictions that are not permanent, and will expire in the future.