

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

Amanda Beitel, Legislative Fiscal Officer
Paul Siebert, Deputy Legislative Fiscal Officer
John Terpening, Deputy Legislative Fiscal Officer



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To: Capital Construction Subcommittee
From: Michelle Deister, Legislative Fiscal Office
Date: June 20, 2025
Subject: SB 684 – Relating to housing.
Work Session Recommendations

SB 684 creates a new direct lending program in the Housing and Community Services Department (HCSD) for short term construction loans and long-term financing of mixed income housing for those at or below 80% of area median income. The measure creates the Mixed Income Public Development Loan Fund as a repository for the lending programs and requires the Department to report to the Legislative Assembly on the status of program implementation.

The -B7 amendment replaces the measure, and requires HCSD to do the following:

- By November 15, 2025, report to interim committees of the Legislative Assembly on recommendations to structure a mixed income housing revolving loan fund that can be used to provide permanent long-term financing for residential housing. The report should include any necessary statutory authorization to create the Fund;
- By September 15, 2026, report to interim committees of the Legislative Assembly on progress of rule making and recommendations for funding; and
- By January 1, 2027, develop and implement lending strategies that are within the Department's existing statutory authority that can be used to make loans for permanent long-term financing of mixed-income residential housing.

The -B7 amendment has a fiscal impact on the Housing and Community Services Department of \$1.9 million Other Funds and 8 positions. Start-up costs for the loan program will be funded from service fees charged for conduit bonds issued on behalf of housing project developers. HCSD has authority to issue direct revenue bonds; interest and fees on these bonds would

provide ongoing program support, while bond proceeds would serve as the source of loan funds.

The -B8 amendment provides HCSD the additional Other Funds expenditure limitation to HCSD, to accommodate the fiscal impact of the measure.

Amendment

LFO recommends adoption of the –B7 amendment

MOTION: I move adoption of the –B7 amendment to SB 684. *(vote)*

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LFO recommends adoption of the -B8 amendment.

MOTION: I move adoption of the -B8 amendment to SB 684. *(vote)*

Final Subcommittee Action

LFO recommends that SB 684, as amended by the –B7 and -B8 amendments, be moved to the Ways and Means Full Committee.

MOTION: I move SB 684, as amended, to the Full Committee with a do pass recommendation. *(vote)*

Carriers

Full Committee:

House Floor:

Senate Floor: