



Legislative Fiscal Office  
 83<sup>rd</sup> Oregon Legislative Assembly  
 2025 Regular Session

Prepared by: Michael Graham  
 Reviewed by: Michelle Deister  
 Date: March 19, 2025

**Bill Title:** Relating to a grant program to support accelerated mortgages for first-time home buyers; declaring an emergency.

**Government Unit(s) Affected:** Housing and Community Services Department

**Summary of Fiscal Impact**

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Housing and Community Services Department	\$ 10,000,000	\$ -	\$ -	\$ -	\$ 10,000,000	-	-
<b>Total Fiscal Impact</b>	<b>\$ 10,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,000,000</b>	<b>-</b>	<b>-</b>

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Housing and Community Services Department	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
<b>Total Fiscal Impact</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>

**Measure Description**

The measure directs the Housing and Community Services Department (HCSD) to make a grant to the Network for Oregon Affordable Housing (NOAH) under the revolving loan fund program. The measure appropriates \$10 million General Fund to HCSD in the 2025-27 biennium for purposes of making the grant. HCSD may not make the grant until NOAH has demonstrated that it has dedicated at least \$10 million of additional private moneys in a loan fund. Loans made from the loan fund must be used for the purchase of a dwelling that is subject to an affordability restriction. The measure directs HCSD to report twice to an appropriate interim legislative committee on the use of the loan funds.

**Fiscal Analysis**

In the 2023 session, the Legislature established an affordable homeownership revolving loan fund through the passage of HB 3395, which included a one-time appropriation \$7.5 million General Fund in the 2023-25 biennium for HCSD to make a grant to NOAH. The purpose of this fund is to assist first-time homebuyers to establish equity more quickly while maintaining affordable monthly mortgage payments. The revolving loan fund program is currently scheduled to sunset on January 2, 2026. This program requires first-time homebuyers, the properties being purchased, and the mortgage terms to all meet specific requirements to qualify for assistance. The Legislative Fiscal Office notes that, because the matching funds requirement on the initial \$7.5 million appropriation included in HB 3395 has not yet been met, the contract for the initial \$7.5 million grant to NOAH has not yet been signed, as of March 2025.

This measure would add \$10 million to the program, again to be granted to NOAH by HCSD once NOAH demonstrates that it has an additional \$10 million of private moneys in loan funds. Aside from the one-time

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 3235**

appropriation \$10 million General Fund, the measure is anticipated to have minimal impact on HCSD's administrative costs, which would be limited to drafting a second contract and working with NOAH to complete the two required reports to the Legislature.

**Relevant Dates**

The measure declares an emergency and takes effect on July 1, 2025.

The proposed grant to NOAH sunsets on January 2, 2028.

HCSD must report to an appropriate interim legislative committee by September 15, 2027, and again by September 15, 2029.