

HB 3235 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

Action Date: 03/19/25

Action: Do pass and be referred to Ways and Means by prior reference

Vote: 11-0-1-0

Yeas: 11 - Andersen, Breese-Iverson, Dobson, Edwards, Fragala, Gamba, Helfrich, Javadi, Mannix, Marsh, Sosa

Exc: 1 - Levy E

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 2/12, 3/19

WHAT THE MEASURE DOES:

The measure directs the Oregon Housing and Community Services Department (OHCS) to continue a program that makes a grant to the Network for Oregon Affordable Housing (NOAH) to allow first-time home buyers to establish equity at a faster rate while making monthly payments. It appropriates \$10 million General Fund to OHCS for the purpose of making the grant and sunsets the grant on January 2, 2028. OHCS is prohibited from issuing the grant until NOAH has demonstrated that it has dedicated at least \$10 million of additional private moneys in a loan fund. OHCS and NOAH are directed to report to the legislature on the use of the loan funds by September 15, 2027 and 2029. Declares an emergency, effective July 1, 2025.

ISSUES DISCUSSED:

- Availability for of homes for low- and moderate-income buyers across the state
- Shared equity housing model
- Funding and administration of Amplify Oregon Accelerated Mortgage program
- Average time owners spend in a community land trust developments before selling
- Qualifications requirements for programs aligned with Local Innovation and Fast Track (LIFT) Housing Program
- 2022 Final Report and Recommendations of the Joint Task Force on Addressing Racial Disparities in Home Ownership

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

[House Bill 3395 \(2023\)](#) established the affordable homeownership revolving loan fund through a grant provided by the Housing and Community Services Department to the Network for Oregon Affordable Housing (NOAH). The purpose of this fund is to assist first-time homebuyers in building equity more quickly while maintaining affordable monthly payments. Eligible properties include homes, cooperative shares, or condominium units where the buyer's ability to accumulate equity is limited. Before receiving the grant, NOAH must demonstrate that it has secured at least \$7.5 million in private funding for the loan fund. The loans issued from this fund must be used to purchase homes with affordability restrictions that limit appreciation-based equity gains and require buyers to be classified as low-income households under Oregon law. To qualify, applicants must complete a first-time homebuyer program through an approved housing counseling agency. The loans must have terms of 20 years or less, a fixed interest rate, and payments comparable to those of a 30-year fixed-rate mortgage at the national average rate or a minimum interest rate of 0.5 percent. The legislation also provides a state appropriation of \$7.5 million to fund the program and mandates that the Housing and Community Services Department report on the use of these funds to the legislature in 2025 and 2027. The revolving loan fund program

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is set to expire on January 2, 2026.