



Legislative Fiscal Office
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Bill Title: Relating to housing; declaring an emergency.

Government Unit(s) Affected: Oregon Business Development Department, Department of Consumer and Business Services, Housing and Community Services Department, Department of Land Conservation and Development, Counties, Cities, Special Districts, Confederated Tribes of Grand Ronde, Confederated Tribes of Siletz, Confederated Tribes of Warm Springs, Burns Paiute Tribe, Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians, Confederated Tribes of Umatilla Indian Reservation, Coquille Indian Tribe, Cow Creek Band of Umpqua Indians, Klamath Tribes

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Business Development Department	\$ -	\$ 1,217,586	\$ -	\$ -	\$ 1,217,586	4	3.52
Total Fiscal Impact	\$ -	\$ 1,217,586	\$ -	\$ -	\$ 1,217,586	4	3.52

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Business Development Department	\$ -	\$ 1,367,105	\$ -	\$ -	\$ 1,367,105	4	4.00
Total Fiscal Impact	\$ -	\$ 1,367,105	\$ -	\$ -	\$ 1,367,105	4	4.00

- Although not provided in the bill, this fiscal impact statement assumes \$10 million in net lottery bond proceeds will be deposited into the Housing Infrastructure Project Fund in the 2025-27 biennium for the housing infrastructure financing program, proposed in the 2025 lottery bond bill (SB 5531).

Measure Description

The measure directs the Infrastructure Finance Authority (IFA) within the Oregon Business Development Department (OBDD) to create a housing infrastructure financing program to provide grants, loans, or forgivable loans, to a city, county, county service district, intergovernmental entity, special district, or a tribal council of a federally recognized Indian tribe in Oregon. Projects eligible for financing through the program may include development or improvement of transportation, water, wastewater, or stormwater infrastructure, or site development for a specified proposed housing development including work on privately owned sites necessary for infrastructure improvements. The projects must be within an urban growth boundary or on tribal land. The measure specifies density requirements for project locations and imposes affordability requirements and covenant terms.

At least 25% of the funds are to support cities or Indian tribes with populations of less than 30,000, and 25% of the funds are to support cities or Indian tribes with populations between 30,000 and 100,000. IFA is directed to coordinate awards with the Housing Accountability Production Office (HAPO) in the Department of Land Conservation and Development (DLCD) and the Housing and Community Services Department (HCSD).

The measure establishes the Housing Infrastructure Project Fund, which is continuously appropriated to the Oregon Business Development Department (OBDD) to administer the fund for expenses of the proposed program. The Legislative Fiscal Office notes that the measure does not specify that loan repayments, penalties, and interest are credited to the fund.

Fiscal Analysis

The measure does not appropriate or allocate funding for the Housing Infrastructure Project Fund. However, assuming the fund were capitalized at \$10 million, the fiscal impact of the measure is \$1,217,586 Lottery Funds and four positions (3.52 FTE) in the 2025-27 biennium, and \$1,367,105 Lottery Funds and four positions (4.00 FTE) in the 2027-29 biennium.

Oregon Business Development Department

The fiscal impact to OBDD is \$1,217,586 Lottery Funds and four positions (3.52 FTE) in the 2025-27 biennium.

Although the volume and complexity of applications for this new program are uncertain, OBDD expects to receive as many as 100 initial inquiries from interested communities and as many as 50 program applications from private sector developers and public-private partnerships, based on the number of inquiries and applications received for similar programs in the past. However, this number could vary.

To establish and administer the program, OBDD would hire four permanent, full-time positions (3.52 FTE), including one Operations and Policy Analyst 3 (0.88 FTE) to provide technical assistance to potential applicants on project development, funding options, and application processes; one Grants, Loans, and Program Manager 2 (0.88 FTE) to manage the day-to-day operations of the program; one Procurement and Contracts Specialist 3 (0.88 FTE) to develop contracts for the proposed program; and one Accountant 2 (0.88 FTE) to provide accounting services. In the 2027-29 biennium, the fiscal impact to OBDD is estimated to be \$1,367,105 Lottery Funds and four positions (4.00 FTE).

This fiscal impact assumes that the Housing Infrastructure Project Fund will be capitalized with \$10 million in net lottery bond proceeds proposed in the 2025 lottery bond bill (SB 5531). OBDD will need Other Funds expenditure limitation to expend the lottery bond proceeds.

Other Entities

The measure is anticipated to have a minimal fiscal impact on DLCD, HCSD, and the Department of Consumer and Business Services.

There is no fiscal impact on cities, counties, special districts, and the nine federally recognized Indian tribes in Oregon.

Relevant Dates

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