



Legislative Fiscal Office  
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**Bill Title:** Relating to lands designated for housing.

**Government Unit(s) Affected:** Department of Administrative Services, Department of State Lands, Department of Land Conservation and Development, Department of Consumer and Business Services, Department of Revenue, Judicial Department, Department of Transportation, Parks and Recreation Department, Department of Fish and Wildlife, Department of Forestry, Land Use Board of Appeals, Counties, Cities

**Summary of Fiscal Impact**

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Administrative Services	\$ 859,665	\$ -	\$ -	\$ -	\$ 859,665	2	1.75
<b>Total Fiscal Impact</b>	<b>\$ 859,665</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 859,665</b>	<b>2</b>	<b>1.75</b>

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Administrative Services	\$ 459,665	\$ -	\$ -	\$ -	\$ 459,665	2	2.00
<b>Total Fiscal Impact</b>	<b>\$ 459,665</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 459,665</b>	<b>2</b>	<b>2.00</b>

- The fiscal impact to the Oregon Parks and Recreation Department is indeterminate.

**Measure Description**

The measure establishes a program to identify certain state-owned and locally nominated lands within urban growth boundaries to be used for affordable housing development. The Department of Administrative Services (DAS) is to designate certain state-owned lands as home start lands if, in DAS’s discretion, the lands have not been used or committed for any permanent state purpose and are, or could be made, better suited for the development of housing. DAS is to evaluate state lands to determine if they are underutilized or can be combined with adjacent parcels to support middle housing development. DAS may also identify real property owned by the state to exchange for real property within urban growth boundaries of approximately equal aggregate value that can be designated as home start lands. Prior to designation, DAS is to confer with any state agency that owns, manages, operates, or is authorized to act on behalf of the state regarding the real property.

DAS may sell, transfer, or lease all real property designated as home start lands to housing developers for the purpose of facilitating the development of affordable housing. These properties must be subject to an affordable housing covenant and be appraised prior to the sale, transfer, or lease. As necessary, DAS can disburse or lend moneys to housing developers for capital improvements to ensure sufficient infrastructure capacity for housing on the land.

Local governments may identify and nominate by ordinance certain property within urban growth boundaries for designation as home start lands. If a development application has not been approved by a local government

within three years following the property's designation as home start land, then the home start land designation is terminated. The measure exempts home start lands from local land use laws, and property tax assessments for a period of up to five years under certain conditions.

The measure establishes the Home Start Lands Fund, which is continuously appropriated to DAS to administer the home start lands program. The proceeds, less costs, of real property sold, as well as revenue from the rental or lease of home start lands, is to be credited to and deposited in the Home Start Lands Fund. In addition, DAS may provide grants and loans for the development of affordable housing on home start lands, as well as grants to cities to provide necessary public services, including infrastructure, law enforcement, or firefighting services. The measure stipulates that an agency may negotiate with DAS to apply the proceeds of a sale, transfer, or lease of home start lands to another capital acquisition of that agency.

**Fiscal Analysis**

The fiscal impact of the measure is \$859,665 General Fund and two positions (1.75 FTE) in the 2025-27 biennium, and \$459,665 General Fund and two positions (2.00 FTE) in the 2027-29 biennium. The fiscal impact to the Oregon Parks and Recreation Department (OPRD) is indeterminate.

Department of Administrative Services

The fiscal impact to DAS is \$859,665 General Fund in the 2025-27 biennium. DAS would need two permanent, full-time positions (1.75 FTE in the 2025-27 biennium, 2.00 FTE in the 2027-29 biennium) to stand up and administer the proposed program, including one Operations and Policy Analyst 3 to develop rulemaking, execute real estate contracts, and manage disbursement processes for capital improvements; and one Administrative Specialist 1 to maintain the program database and provide administrative support. The estimated cost of these positions, including position-related services and supplies, is \$459,665 in the 2025-27 biennium. In addition, DAS would incur estimated costs of \$350,000 for legal services from the Department of Justice and \$50,000 for real estate appraisals on designated lands in the 2025-27 biennium. In the 2027-29 biennium, the estimated fiscal impact is \$459,665, which is the cost of the two permanent positions.

The measure establishes, but does not capitalize, the Home Start Lands Fund. DAS will be unable to provide grants or loans until proceeds from the sale, transfer, or lease of designated lands are credited to and deposited in the Home Start Lands Fund. Once those proceeds are deposited in the Home Start Lands Fund, DAS will require Other Funds expenditure limitation to provide grants or loans to housing developers to develop affordable housing on home start lands, or grants to cities to provide public services for residents.

Oregon Parks and Recreation Department

The fiscal impact to OPRD is indeterminate. OPRD owns and operates approximately 5% of state-owned lands, including state parks, scenic overviews, ocean shores, and connecting lands, some of which fall within urban growth boundaries. If DAS were to designate OPRD land within urban growth boundaries as home start lands, OPRD would be required to transfer the property. In addition, assuming OPRD lands were transferred, OPRD could lose fee revenue from state parks that support its biennial budget. While the measure does authorize DAS to exchange designated land for land of approximately equal aggregate value, DAS would be under no obligation to do so. The measure is also silent as to whether OPRD would be entitled to any remuneration or compensation for the loss of land. Since urban growth boundaries are updated every few years, more OPRD lands could theoretically be designated as home start lands in the future, potentially putting lands that are owned for strategic reserve at risk of loss, if DAS determines the land to be underutilized. Without knowing the specific size and value of designated properties or how many properties will be designated, the fiscal impact is indeterminate.

Other Entities

The measure is anticipated to have a minimal fiscal impact on cities, counties, Department of Land Conservation and Development, Department of State Lands, Oregon Judicial Department, Oregon Department of Fish and Wildlife, Oregon Department of Transportation, Department of Revenue, and Department of Justice.

There is no anticipated fiscal impact to the Land Use Board of Appeals, Oregon Department of Forestry, or Department of Consumer and Business Services.

**Relevant Dates**

The measure takes effect on January 1, 2026.