

Enrolled
House Bill 4036

Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of House Interim Committee on Housing and Homelessness for Representative Pam Marsh)

CHAPTER

AN ACT

Relating to affordable housing; creating new provisions; amending ORS 456.559 and 456.824; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 2 of this 2026 Act is added to and made a part of ORS 456.766 to 456.828.

SECTION 2. (1) The Housing Opportunity, Longevity and Durability Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned on moneys in the Housing Opportunity, Longevity and Durability Fund shall be credited to the fund.

(2) The fund consists of moneys deposited into the fund from bonds issued by the State Treasurer pursuant to ORS 286A.035 for the Housing and Community Services Department to be used for affordable housing preservation.

(3) Moneys in the fund are continuously appropriated to the department to:

(a) Acquire, construct, remodel, repair, equip or furnish affordable housing at risk of loss, as described in ORS 456.824 (2), that is or will be owned or operated, as those terms are defined in ORS 458.480, by the State of Oregon for the purpose of providing affordable housing;

(b) Pay the costs incurred by the department to administer the fund; and

(c) Pay bond-related costs, as defined in ORS 286A.816.

SECTION 3. On or before December 1, 2026, the Housing and Community Services Department shall submit a report in the manner provided by ORS 192.245 to the interim committees of the Legislative Assembly related to housing that incorporates feedback from key stakeholders, including affordable housing providers, finance entities and tenant advocates, and that:

(1) Evaluates the impact of and offers improvements to any state laws or practices, policies or rules of the department that negatively impact the efficiency, effectiveness and cost of operating affordable housing, including impacts to leasing, screening applicants, filling vacancies, maintaining tenant wait lists, recertifying tenants, conducting inspections, collecting rent, managing property and complying with regulations; and

(2) Evaluates opportunities to streamline, reduce or eliminate reporting requirements of affordable housing providers for state and federal programs and funding sources that are administered by the department.

SECTION 4. ORS 456.824 is amended to read:

456.824. The Housing and Community Services Department shall establish and maintain an affordable housing preservation program to coordinate affordable housing preservation efforts and incentivize the analysis and preservation of affordable housing, including publicly supported housing and manufactured dwelling parks. Under the program, the department shall:

(1) Collect and maintain data from local, state and federal sources on affordable housing in this state, including the status of existing affordability restrictions and rental assistance contracts at publicly supported housing.

(2) Identify categories of affordable housing at risk of loss, including:

(a) Properties with expiring federal rent assistance contracts;

(b) Properties with expiring affordability restrictions;

(c) Properties with affordability restrictions in *[physical or financial distress]* **financial or physical distress, including physical distress that requires rehabilitation, repair or replacement of such building systems, components or materials that have exceeded, or within a reasonable period will exceed, their effective useful lives;** and

(d) Manufactured dwelling parks at risk of sale or closure.

(3) Take actions to promote housing stability, for residents of:

(a) Affordable housing that is at risk of loss or that has been recently lost; or

(b) Residents of manufactured dwelling parks or marinas at risk of sale or closure.

(4) Establish and periodically update evaluation criteria for affordable housing preservation *[investments]*.

(5) Identify and aggregate available sources of funding, including moneys available from federal and private grants or programs, appropriations by the Legislative Assembly, existing funds of the department or financing available from Article XI-Q bond proceeds under ORS 286A.824 or 458.480 to 458.490 **or section 2 of this 2026 Act** or proceeds of other bonds issued by the State Treasurer, and use such sources of funding to implement preservation *[investments for]* **of** affordable housing in accordance with the established evaluation criteria.

(6) Regularly analyze operating expenses of the existing portfolio of publicly supported housing that is funded by the department to inform the department's underwriting standards for financing the construction of new and the preservation of existing publicly supported housing and to inform forecasts of preservation funding needs.

(7) Regularly update and publish an affordable housing preservation strategy framework report that includes information identified in subsections (1) and (2) of this section and forecasts the financial need to preserve affordable housing.

(8) Execute the duties of the department under ORS 456.766 to 456.828.

SECTION 5. Notwithstanding any other provision of law, in addition to the amounts appropriated by section 1 (3), chapter 584, Oregon Laws 2025, for the biennium ending June 30, 2027, as modified by legislative or Emergency Board action, the amount appropriated to the Housing and Community Services Department, for Multifamily Rental Housing Programs, is increased by \$150,000 for the administration of the Housing Opportunity, Longevity and Durability Fund established by section 2 of this 2026 Act.

SECTION 6. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (3), chapter 584, Oregon Laws 2025, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and federal funds from the United States Department of Housing and Urban Development for contract services, but excluding lottery funds and federal funds not described in section 2, chapter 584, Oregon Laws 2025, collected or received by the Housing and Community Services Department, for Multifamily Rental Housing Programs, is increased by \$145,175 for the administration of the Housing Opportunity, Longevity and Durability Fund established by section 2 of this 2026 Act.

SECTION 7. ORS 456.559 is amended to read:

456.559. (1) The Housing and Community Services Department shall:

(a) Maintain current housing data and information concerning available programs, status of funding, programs planned or undertaken which might conflict with, overlap, duplicate or supersede other planned or existing programs and call these to the attention of appropriate state agencies, governmental bodies and public or private housing sponsors.

(b) Maintain current data on publicly supported housing as provided under ORS 456.824.

(c) Provide to appropriate state agencies, governmental bodies and public or private housing sponsors such advisory and educational services as will assist them in the development of housing plans and projects.

(d) Subject to the approval of the Oregon Housing Stability Council, make noninterest bearing advances, in accordance with ORS 456.710 and the policies of the department, to qualified nonprofit sponsors for development costs of housing projects until mortgage funds are released to repay the advances as provided in ORS 456.710.

(e) Advise and assist appropriate state agencies, governmental bodies and public or private housing sponsors, cities and counties, in all programs and activities which are designed or might tend to fulfill the purposes of ORS 456.548 to 456.828 and ORS chapter 458.

(f) Encourage and assist in the planning, development, construction, rehabilitation and conservation of dwelling units for persons and families of lower income.

(g) Be the central state department to apply for, receive and distribute, on behalf of appropriate state agencies, governmental bodies and public or private housing sponsors in the state, grants, gifts, contributions, loans, credits or assistance from the federal government or any other source for housing programs except when the donor, grantor, or lender of such funds specifically directs some other agency to administer them. Moneys received under this section shall be deposited with the State Treasurer in an account separate and distinct from the General Fund. Interest earned by the account shall be credited to the account.

(h) For the purposes of acquiring moneys, credits or other assistance from any agency or instrumentality of the United States or from any public corporation chartered by the United States, comply with any applicable agreements or restrictions for the receipt of such assistance and become a member of any such association or public corporation chartered by the United States.

(i) Assist individuals, appropriate state agencies, governmental bodies and public or private housing sponsors through a program which provides housing information, planning, educational services and technical assistance.

(j) Comply with the requirements of ORS 443.225 in assisting in the development of any housing for residential care, training or treatment for persons with intellectual or developmental disabilities or mental or emotional disturbances.

(2) Except as otherwise provided in ORS 456.625 (7), 456.766 to 456.828, 458.315 (3) and 458.480 to 458.490 **and section 2 of this 2026 Act**, the department may not itself develop, construct, rehabilitate or conserve housing units; and neither the department nor any housing sponsor, including but not limited to any association, corporation, cooperative housing authority or urban renewal agency organized to provide housing and other facilities under ORS 456.548 to 456.828, may own, acquire, construct, purchase, lease, operate or maintain utility facilities, including facilities for the generation of electricity, for the distribution of gas and electricity, and for the conveyance of telephone and telegraph messages.

(3) In accordance with the provisions of this section and with the advice of the council, the department shall establish statewide priorities for housing programs. State agencies shall coordinate their housing programs with the department. All state agencies intending to apply for federal funds for use in planning, developing or managing housing, or rendering assistance to governmental bodies or sponsors or individuals involved therein shall submit a description of the proposed activity to the department for review not less than 30 days prior to the intended date of submission of the application to the federal agency. The department shall determine whether the proposal would result in a program that would overlap, duplicate or conflict with any other housing program in the state. If the department finds overlapping or duplication or conflict, it shall recommend modifications in the application. The Oregon Department of Administrative Services shall consider these recommenda-

tions in making its decision to approve or disapprove the application. The department shall complete its review and forward its recommendations within 15 working days after receipt of the notification. Failure of the department to complete the review within that time shall constitute approval of the application by the department.

(4) The Director of the Housing and Community Services Department may participate in discussions and deliberations of the council. The director may suggest policies to the council, including those necessary to stimulate and increase the supply of housing for persons and families of lower income.

SECTION 8. This 2026 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2026 Act takes effect on its passage.

Passed by House March 4, 2026

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Timothy G. Sekerak, Chief Clerk of House

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Julie Fahey, Speaker of House

Passed by Senate March 6, 2026

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Rob Wagner, President of Senate

Received by Governor:

.....M.,....., 2026

Approved:

.....M.,....., 2026

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Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M.,....., 2026

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Tobias Read, Secretary of State