

## **METRO 2026 LEGISLATIVE ISSUE IDENTIFICATION**

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**Person completing form/Department:** Kyung Park, GAPD

**Date:** November 13, 2025

**ISSUE:** Housing and Homelessness Response Stability

### **BACKGROUND:**

The legislature made significant investments to address homelessness and housing affordability since 2016. After record levels of investments in the 2023-2025 biennium, investments in housing and homelessness were scaled back in the 2025-27 biennium as the economic conditions of the state shifted. Some programs were more impacted than others. Shelter operations were nearly fully funded and significant bonding resources were dedicated to affordable housing development.

On the other hand, state investments in eviction prevention was reduced by 74%, which put 20,000 households at risk of experiencing homelessness. Due to the interconnected nature of the housing services continuum, underfunding eviction prevention will likely lead to more demand for homelessness and shelter services and increased vacancy of housing units. In turn, higher vacancy rates increase financial risk for affordable housing properties with less rental revenue.

Federal funding sources for housing are also at risk. A plan released in November by HUD outlines a shift away from Housing First to programs that prioritize work requirements and drug treatment mandates. If implemented, service providers may experience additional burdens when accessing federal grants.

In the 2026 session the legislature will consider budget reductions, scaling back housing programs, and policy changes to boost housing production.

### **RECOMMENDATION:**

Support legislation that protects the stability of regional and local housing and homelessness systems. Support efforts that offer permanent, affordable housing for individuals and families experiencing or at risk of homelessness and provide supportive services and community-based support for people that need to keep their housing. Additionally, support ways to stabilize and preserve the affordable housing inventory.

### **LEGISLATIVE HISTORY:**

Since 2016, the Legislature has increasingly focused on housing accessibility, enacting a series of bills to protect tenants from displacement, funds for shelter and wraparound services, address racial disparities in home ownership, and facilitate and fund housing development. Recent legislation that support housing and homelessness:

- **SB 611 (2023)** keeps Oregon’s current rent stabilization law intact, with the addition of a 10 percent rent increase cap.
- **HB 3414 (2023)** would have allowed cities to petition Metro for residential urban growth boundary expansions in urban reserves once (per city) in the next ten years. The bill required that 30 percent of the housing be affordable (as defined by the bill), minimum densities, and a conceptual plan for development. This bill failed on the Senate floor on the last day of session.
- **HB 2001 (2023)** was the 60-day housing package included the new Oregon Housing Needs Analysis methodology. It prioritizes planning for housing that is needed at various affordability levels and state and local government working towards housing goals together with urgency.
- **HB 2889 (2023)** fixes ambiguities and technical errors included in HB 2001 related to the Oregon Housing Needs Analysis. For Metro, HB 2889 clarifies how state estimated housing needs for localities in our region will work with Metro’s Urban Growth Management processes and population forecasts.
- **SB 1530 (2024)** allocated nearly \$100 million for local infrastructure projects to boost housing production. Included \$65 million investments into stabilizing Oregon’s shelter system.
- **SB 1527 (2024)** makes two prominent modifications to the first-time home buyer savings accounts. First, the measure allows funds to be withdrawn from accounts for use by a designated qualified beneficiary. This modification allows taxpayers to utilize the tax subtraction while saving for a first-time home purchase of a designated beneficiary rather than only for their own qualified home purchase. Second, the measure removes requirement of financial institutions to designate accounts as first-time home buyer savings accounts and instead requires the taxpayer to designate the account.
- **SB 1529 (2024)** authorizes the Oregon Health Authority to distribute air conditioners and air filters to entities that then provide them to eligible individuals during an emergency, and requires reimbursement of costs associated with identifying eligible recipients and product delivery and installation.
- **HB 4063 (2024)** required Multnomah, Clackamas and Washington counties to complete housing capacity analyses and housing production strategies like their city counter parts.
- **HB 3644 (2025)** It establishes a statewide shelter program at Oregon Housing and Community Services (OHCS) that sunsets at the beginning of 2034. The OHCS agency budget bill, HB 5011, allocates \$204.9 million in total funding for shelter operations through 2033.
- **SB 599 (2025)** It prohibits rental housing discrimination based on immigration or citizenship status.
- **HB 3589 (2025)** It directs OHCS to develop a senior housing initiative to mitigate homelessness in Oregon’s growing senior population.
- **HB 3031 (2025)** It creates the Housing Infrastructure Fund and program. The Christmas Tree bill, HB5006, allocated \$10M for program administration and implementation.
- **SB 829 (2025)** It provides subsidies to cover insurance premiums for eligible affordable housing entities. It also conducts a cost study on liability coverage and insurance

premiums. The legislature allocated \$2.5M for subsidies, the cost study, and program management.

- **SB 32 (2025)** Improves OHCS preservation tracking and reporting.

#### **OTHER INTERESTED PARTIES:**

State partners such as the Governor's office, Oregon Housing and Community Services, and Department of Land Conservation and Development are leading proposals on housing production. Oregon Housing Alliance and its member organizations, local governments, the Oregon Home Builders Association, Oregon Association of Realtors, Multifamily NW, and other industry groups also have a vested interest.

#### **IMPACT IF PROPOSED ACTION OCCURS:**

- Strategic reduction of services to minimize impacts
- Reduce racial disparities in housing.
- Facilitate more housing production.

#### **RACIAL IMPACTS**

Both nationally and in our region, rents are rising faster than incomes, increasingly limiting lower-income households – disproportionately people of color – to housing options in areas with lower access to opportunities and higher concentrations of poverty. Even households with moderate incomes are finding themselves priced out of neighborhoods where they work or go to school. Housing affordability and choice are not only issues of social equity; lack of equitable housing also threatens our economic competitiveness and the livability our region has worked hard to protect. Rapidly rising housing costs in much of Portland and areas in other parts of the region have resulted in displacement of low-income households to areas of increasing poverty farther from job centers and less well served by infrastructure, services, and amenities. Because they have lower average incomes, communities of color are disproportionately impacted by these trends.

Budget cuts to certain programs may have disparate racial impacts if the program prioritized services for people of color.

#### **CLIMATE IMPACTS**

Housing is a complex issue at the intersection of public health, racial equity and climate justice. Like the production of many items, new housing development can increase carbon emissions and impacts to the environment. However, housing is a necessity, and therefore, when implementing and supporting housing policies, we must look for greener solutions to mitigate its impacts to the environment. Ensuring that affordable housing funders, jurisdictions, and developers are aligned in supporting climate-smart approaches to creating and maintaining housing is critical to advancing our climate goals. Examples of this include passive design strategies to reduce the need for heating and cooling, green building standards and other environmentally focused strategies to housing production. In addition, we know that climate impacts such as extreme heat and cold pose a particular threat to our houseless, low income

and medically fragile community members. It is crucial to center them and their experiences in the strategies to address climate change in housing supply and production. Moving forward, Metro will look to understand emerging best practices to multi-family design and climate resilience strategies that balance considerations related to health/safety, livability, sustainability, durability and cost.