



HOUSE MAJORITY OFFICE

FOR IMMEDIATE RELEASE

March 4, 2024

Lucas Bezerra, Lucas.Bezerra@oregonlegislature.gov

Legislature Addresses Housing Shortfall With Funds to Develop Middle Income Housing

Revolving Loan Fund gets seed funds from the legislature to make building financially feasible for developers looking to build workforce housing.

SALEM, Ore. - Today, legislators agreed to make it more feasible for developers to build workforce housing in an overwhelmingly bipartisan vote. It's estimated that the state has a deficit of 140,000 homes statewide and the legislature is taking action this legislative session to break down barriers to building more housing.

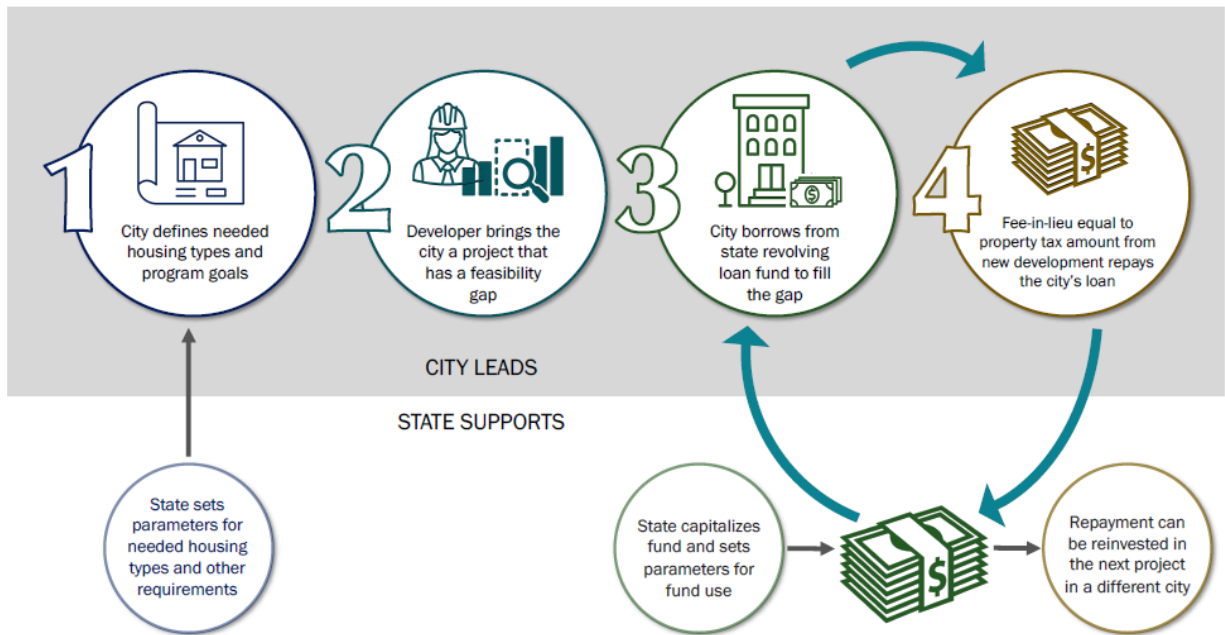
"Our desperate lack of housing is inhibiting recovery, undermining our workforce, driving homelessness and despair, and discouraging families from staying or moving to the community," said **Rep. Pam Marsh (D - Southern Jackson County)**. "Housing proposed for buyers with 80-120% of median income often simply fails to pencil out because land and development costs outstrip what families with those incomes can afford to pay. This is the housing that serves our teachers, mill workers, small business owners and others who are critical to our communities. The Revolving Loan Fund will provide ongoing, targeted and strategic support for median income projects. The revolving nature of the fund ensures that dollars will be invested over and over again to support projects across the state."

The State Revolving Loan fund will receive \$75 million to fill housing financing gaps for local jurisdictions to develop needed housing in their communities. This will make it financially feasible for developers to build workforce housing, and keep money in the community once the loan is repaid.

"This is an innovative approach that responsibly uses limited state resources to make a significant impact in building the homes we need for our working families," said **Rep. Maxine Dexter (D-NW & Downtown Portland)**, Chair of the House Committee on Housing and Homelessness. "Local jurisdictions will get flexible funding to close the gap on building housing we need in every community across the state. This replenishable fund is a smart and exciting

concept and our \$75M investment today is an important start to helping make sure we have sustained support for housing now and in the future. This package puts our valuable state dollars to work to boost housing production across Oregon. We continue to be laser-focused on doing all we can to relieve the homelessness and affordable housing crises that continue to impact our communities.”

Local jurisdictions control project selection and borrow from the fund to make grants to local developments. The jurisdictions then pledge the amount of the increased property tax revenues to repay the loan over 10 years. This program will use a ten-year tax abatement on the improvements and add an equivalent fee that will repay the loan. After loans are repaid, the fee terminates and full property taxes are retained by local jurisdictions.



This is one funding allocation the legislature agreed on when it passed the Housing Stability and Production Package ([SB 1530](#) and [SB 1537](#)) with bipartisan support. The package now heads to the Governor’s desk.

###