

Housing Production

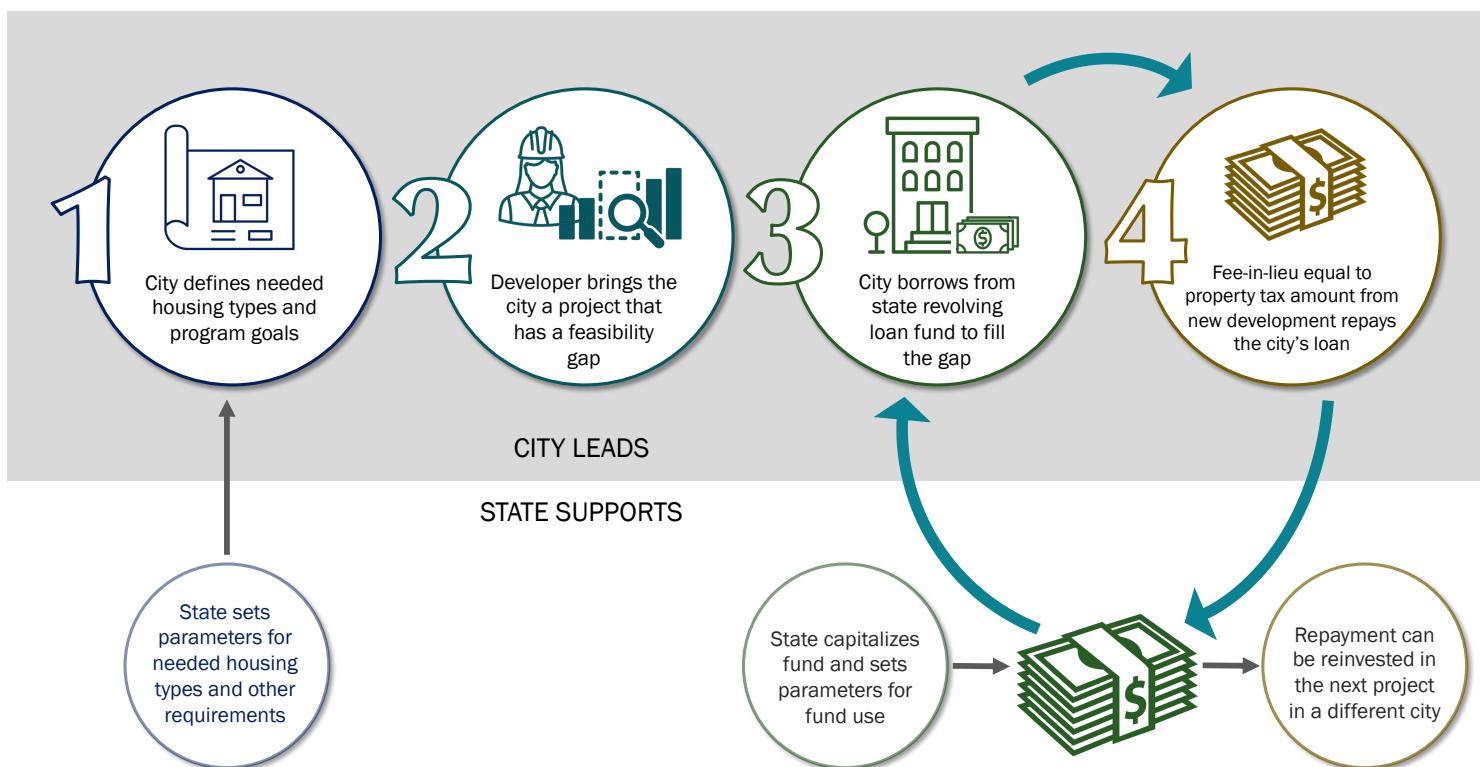
Revolving Loan Fund

Oregon's Workforce Housing Problem

Oregon's dramatic housing shortage is a threat to our residents, communities, and economy. ECONorthwest estimates that the state has a deficit of 140,000 homes statewide. Current housing production is not keeping up with demand, much less making progress on the deficit.

A significant portion of this shortfall is for housing serving households earning 80-120% AMI. This is housing for teachers, home care workers, hospitality workers, mill workers – folks that are part of the fabric of every vibrant community. Employers have difficulty filling jobs because employees cannot find housing they can afford. This harms local economies.

Under current market conditions, it is not financially feasible for developers to build workforce housing, and the underproduction is creating strain on Oregon communities. Currently, there are no public resources available to support housing serving this segment of the market, and regulatory relief alone will not be sufficient.



Housing Production Revolving Loan Fund

A State revolving loan fund will fill housing financing gaps. Local jurisdictions, at their discretion, may access the fund to boost development of needed housing in their communities. Eligible housing can be rental or homeownership, multifamily or single family. The goal of this fund is housing production that could not otherwise be produced.

Local jurisdictions control project selection and borrow from the fund to make grants to local developments. These grants fill critical project funding gaps. 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.

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| ▪ Revolving Loan Fund: | \$200 million |
| ▪ Units Produced: | 8,000 (plus ongoing from reinvestment) |
| ▪ Target Population: | 80-120% AMI |
| ▪ Subsidy per Unit: | \$15,000-\$35,000 (est.) |
| ▪ Project Control: | Local jurisdictions with State support |
| ▪ Eligible Housing: | Single and multi-family; rental or ownership |
| ▪ Fire Districts: | Fully Funded |
| ▪ Fund Leverage: | <u>\$4.5 billion</u> in other funding |
| ▪ Eligible Expenses: | Dependent on project needs, but including infrastructure, systems development charges, land costs, construction financing, or other project gaps. |

Contact: Tom Holt