



THE BUREAU OF
**PLANNING &
SUSTAINABILITY**

February 12, 2026

House Committee on Housing and Homelessness
900 Court St. NE
Salem, OR 97301

Chair Marsh, Vice Chair Breese-Iverson, Vice Chair Andersen, and members of the House Housing Committee,

We write to express our support for HB 4037, and specifically Sections 4, 16, and 25. We appreciate the efforts of Chair Marsh to put together this bill, there are many moving pieces to this legislation, and we are supportive of the final product. With these changes, Portland stands ready to deliver hundreds of middle-income housing units in alignment with Governor Kotek and Mayor Wilson's joint commitment to accelerate housing production. In addition to supporting Sections 16 and 25 we are thankful for the -4 and -10 amendments that helped to clarify and adjust various portions of the bill especially Sections 7 and 17.

Section 4 and 7- Middle Income Revolving Loan (MIRL) Technical Fixes

As provided for in Section 4, the ability to provide a project grant to a developer, regardless of project location, is critical for incentivizing middle-income housing production in current market conditions. High density middle-income housing development cannot support additional debt and therefore grant funding is necessary to help address project feasibility.

We are additionally supportive of the language introduced in amendment -10 (and -4) to modify Section 7. HB 48 (2025 session) introduced an alternative for the utilization of the Middle Income Revolving Loan (MIRL) program via the ability to repay project loans using alternative funding sources when an exemption from property taxation is not a viable repayment mechanism. The proposed language in either amendment



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streamlines the required approval process for the Sponsoring Jurisdiction in the event it is not necessary to establish an exemption from property taxation for the purpose of repaying a project loan.

Section 16 – Building Plan Review

In May of 2025, Governor Kotek and Mayor Wilson announced an action plan to increase housing construction in Portland. As one piece of this work, Portland Permitting & Development (PP&D), began collaborating with Building Codes Division (BCD) to explore opportunities for streamlining permitting for housing. The conversation included evaluation of the existing allowance in Oregon Revised Statutes (ORS) 455.628 for plan review exemption. A public listening session conducted by PP&D and BCD in September 2025 confirmed the current language of the ORS limits its effectiveness because its scope is limited to conventional light frame construction. Testimony received in the listening session further confirmed there was a desire from the community to expand the scope of the ORS to allow for engineered design. PP&D supports the proposed revision to ORS 455.628 in Section 16 – Building Plan Review. The proposed revision aligns with the collaborative work we have been doing with BCD and our efforts to increase housing production in Portland as well as the rest of Oregon.

Section 25 – Technical Fixes

HB2138 (2025 session) included directives to local governments to develop a process to streamline joint application of land divisions that would contain future middle housing. That bill provided that middle housing land divisions could be run concurrent in a consolidated review with a regular land division. However, the bill inadvertently did not address the issue that the two procedures have differing approval expiration timeframes. We appreciate the small but important technical fix in Section 25 of HB4037 to align the final plat expiration time frames for consolidated middle housing and regular land division plats. This change will prevent situations where some of the lots within a preliminary plat may have continued to be valid while other lots in the same plat expired. This fix creates consistency and removes potential confusion for developers, jurisdictions, and future property owners.

In conclusion, we are grateful for the legislature’s efforts to support additional housing in the City with right-sized and changes to remove unnecessary regulatory barriers and confusion. The City encourages this committee to support HB 4037 with the –10 amendments.

Sincerely,

Tom Armstrong

Tom Armstrong, Supervising Planner
Bureau of Planning and Sustainability

