

HB 3138 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/9, 2/21

WHAT THE MEASURE DOES:

Appropriates, for biennium beginning July 1, 2023, \$30 million in General Fund moneys to Department of Administrative Services for a grant to the Regional Rural Revitalization Strategies Consortium. Establishes Regional Rural Revitalization Strategies Consortium as intergovernmental agreement providing: housing planning, infrastructure, capital equipment and predevelopment costs, and grant and loan awards to housing capacity builders and developers for public private partnerships. Allows funding to be used to support housing development in all areas of the state except for within the urban growth boundary of a city with population greater than 50,000.

FISCAL: Minimal fiscal impact

REVENUE: No revenue impact

ISSUES DISCUSSED:

- Housing as integral to rural economic development
- Funding to cover land development in addition to technical assistance
- Capacity building for renewable energy projects in smaller communities where housing is needed

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to the Department of Land Conservation and Development (DLCD), Oregon needs to develop more than 550,000 new housing units across income levels to accommodate 20 years of population growth and to account for current underproduction and the lack of units for people experiencing homelessness. DLCD estimates that approximately 49 percent of this housing will require public subsidy. The department reported in its February 2021 Regional Housing Needs Analysis report that underproduction can be attributed to high land and construction costs, inadequate infrastructure, and limited local government capacity, among other factors. The Oregon Office of Economic Analysis has reported on the longer-term impacts of housing production, including slowing economic growth and potential increased displacement of Oregonians who cannot afford to rent or buy a home.

ORS 190.010 authorizes local governments to enter into an intergovernmental agreement for the performance of any or all functions and activities that a party to the agreement, its officers or agencies, have authority to perform. Under this statute, the cities of John Day, Burns, and Lakeview signed a memorandum of understanding (MOU) in October 2021 to establish the Regional Rural Revitalization (R3) Strategies, with the stated goal of collaborating to stimulate economic recovery and revitalization within the three communities.

House Bill 3138 establishes the Regional Rural Revitalization Strategies Consortium to provide technical support and housing development grants and loans to capacity builders and developers for public private partnerships. The measure allocates \$30 million in General Fund moneys to the Department of Administrative Services to fund efforts of rural communities across the state with a population of 50,000 or less.