

**HB 3174 A STAFF MEASURE SUMMARY****House Committee On Housing and Homelessness****Action Date:** 03/23/23**Action:** Do pass with amendments and be referred to Ways and Means by prior reference.  
(Printed A-Eng.)**Vote:** 10-1-0-0**Yeas:** 10 - Boice, Dexter, Fahey, Gamba, Hartman, Helfrich, Helm, Javadi, Levy E, Wright**Nays:** 1 - Cate**Fiscal:** Fiscal impact issued**Revenue:** No revenue impact**Prepared By:** Claire Adamsick, LPRO Analyst**Meeting Dates:** 3/9, 3/23**WHAT THE MEASURE DOES:**

Directs the Department of Administrative Services (DAS), in consultation with the Department of Land Conservation and Development (DLCD) and the Oregon Housing and Community Services Department (OHCS) to provide **grants to councils of governments and economic development districts** to support local and tribal government housing, infrastructure, and community development capacity. Directs districts receiving grants to work in collaboration with local governments, developers, relevant agencies and other public and private partners. Allocates to DAS, for the biennium beginning July 1, 2023, \$5 million in General Fund moneys for grants to councils of governments and economic development districts. Directs DAS, in consultation with DLCD and OHCS, to provide **grants to cities and counties or local government partnerships** to support capacity for planning and permitting needed housing. Specifies grants must be awarded based on identified housing need. Requires grant recipients to submit report to OHCS on progress toward housing production targets within two years of receiving grant funds. Allocates to DAS, for the biennium beginning July 1, 2023, \$45 million in General Fund moneys for local government grants. Directs DAS to provide grants to the Association of Oregon Counties (AOC) and the League of Oregon Cities (LOC) to develop, in consultation with DLCD, a **statewide education program on land use and housing barriers** (Statewide Education Program), and fund AOC and LOC to each hire a **state housing liaison** to serve as an information conduit for local, state, and regional bodies on housing production-related matters. Allocates to DAS, for the biennium beginning July 1, 2023, \$500,000 in General Fund moneys for Statewide Education Program, and \$600,000 for two housing liaison positions. Directs DAS Office of Economic Analysis, in consultation with DLCD and OHCS, to **develop survey** of local governments' use of staff time to process appeals, review and issue permits, complete inspection, or revise land use regulations related to needed housing. Directs office of economic analysis to conduct survey on or before September 15 of each year and report findings to appropriate interim committee of Legislative Assembly. Allocates \$100,000 in General Fund moneys to DAS, for the biennium beginning July 1, 2023 to conduct survey and analysis. Describes reporting requirements to be fulfilled by grant recipients by July 1 of each year. Sets operative dates contingent on passage of provisions contained in the Oregon Housing Needs Analysis. Repeals provisions related to grants and survey January 2, 2034. Allocates to DAS, for the biennium beginning July 1, 2023, \$250,000 to administer grants and reports. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Eligibility of cities with population under 10,000 to apply for grant funding
- Possible inclusion of engineering among grant supports available to cities
- Arrangement of contract with regional entities
- Workforce development support for local planning and permitting departments
- Current tax structure impact on local government capacity

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### **EFFECT OF AMENDMENT:**

Replaces regional housing coordinator grants with grants to councils of governments and economic development districts to support local and tribal government housing, infrastructure, and community development capacity. Allocates to Department of Administrative Services (DAS), for the biennium beginning July 1, 2023, \$5 million in General Fund moneys for grants to councils of governments and economic development districts. Adds "engineering" to list of eligible grant activities by recipient of DAS grant to local governments for planning and permitting needed housing.

### **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.

House Bill 3174 A provides grant funding to the Department of Administrative Services (DAS), in consultation with the DLCD and Oregon Housing and Community Services, to fund councils of governments, economic development districts, and local governments to support housing planning and development capacity. The measure directs the Office of Economic Analysis within DAS to conduct a survey and analysis of local government processes in planning for and approving needed housing development projects. The measure allocates funds to the Association of Oregon Counties and the League of Oregon Cities to develop a statewide land use education program and to hire two housing liaison positions. House Bill 3174 A specifies allocations of a total requested of approximately \$51.5 million in General Fund moneys for the biennium beginning July 1, 2023.