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**March 9, 2023**

**Chair Representative Maxine Dexter**

**Vice-Chair Representative Mark Gamba**

**Vice-Chair Representative Jeffrey Helfrich**

**Members of the House Committee on Housing and Homelessness**

**Oregon State Capitol, 900 Court Street NE, Salem, Oregon 97301**

**RE: Testimony in support of HB 3174 Building Capacity in Oregon**

My name is Scott Dadson, Executive Director of the Mid-Willamette Valley Council of Governments. The Mid-Willamette Valley Council of Governments (MWVCOG) represents 44 communities in Yamhill, Polk, and Marion Counties, and our members include counties, cities, special districts and tribal governments. The MWVCOG is led by Chairwoman Lisa Leno, who is a member of the Confederated Tribes of the Grand Ronde Tribal Council. Working with the 6 Oregon Council of Governments and the Economic Development Districts, I am here to represent our support for HB 3174 as a step toward

THE ISSUE: Growth in Oregon and aged infrastructure have created costly yet necessary needs across Oregon. Dual mandates from the State to include housing and environmental protections for water sources and quality are well intentioned, however the cost to both community members and developers have become beyond reach for achieving laudable goals. The Oregon Economic Recovery Plan, commissioned by Business Oregon, identified barriers for entry into a full and equitable economic recovery across Oregon, and provided strategic action for overcoming the same. The ability to organize around the opportunities of federal funding and programs such as ARPA, IIJA, and other monies and programs targeted by Oregon legislation requires capacity at the local and regional level to assist in achieving these outcomes.

Many cities with populations of 30,000 or less are seeing the same significant increases in demand for housing and development as Oregon's larger cities, yet these smaller communities lack the resources for technical assistance to plan for infrastructure and public facility investments that accompany such growth. Both the lack of capacity in our smaller communities and the stressed capacity of larger communities has created a serious need for assistance. HB 3174 serves as a step toward solving problems that took us many years to get too. The solutions will not happen overnight, and housing, like

many of our best economic opportunities, is one that is part of fuller, community development building opportunity. Many of the communities in our regions want to support and partner in meeting regional population and housing needs. To build the capacity to meet development demands, we believe the funding in HB 3174 is an excellent first step in this long journey to help our communities meet planning and project development requirements to support infrastructure and facility development; building blocks to creating housing.

WORK IS ALREADY UNDERWAY: As the Oregon State Legislature debated HB 2345 (2021), testimony was given regarding the lack of “local capacity,” which includes staff, staffing time, and expert assistance, for smaller communities to take advantage of the opportunities that the ARPA and IJA funding would provide to maintain, improve, and expand public infrastructure. In testimony, the Association of Oregon Counties (AOC) testified that “...According to a recent informal survey on county grant writing programs and capacity conducted by Curry County, 19 of 22 responding counties indicated that they do not have dedicated grant writing staff and identify this lack of capacity as a significant gap in workforce and economic development efforts.” AOC went on to further testify that “...Without expertise and staff resources, small and frontier counties struggle to even identify opportunities, let alone prepare applications and manage funding if it is awarded. This means that the funds available through state and federal economic and workforce development grant programs are simply not reaching many of Oregon’s communities. House Bill 2345 created an opportunity to connect those funds to Oregonians.”

Funding from HB 2345 was directed to Economic Development Districts (EDDs) and COGS across the State, as was support from The Ford Family Foundation (TFFF), to assist local communities to take advantage of the funds available through the ARPA, IJA and other granting organizations. These efforts are helping counties, cities, and special districts across the State through COGS and EDDs.

The State of Oregon’s communities are supported by EDDs, and voluntary ORS 190 organizations called Councils of Governments (COGs). There are twelve EDDs and six COGs in Oregon, including Metro, which is organized under a separate statute but is still a regional organization. While these organizations vary in their service delivery based upon regional needs, they are consistent in their support of the local communities, local and county governments, and tribal governments in meeting national, state, and local needs and compliance through technical assistance, coordination of services, and economies of scale necessary in a marketplace of scarce resources.

The Ford Family Foundation has been providing capacity building support with a \$500,000 grant to the Oregon Economic Development Districts for the purpose of assisting rural jurisdictions, nonprofits, and special districts to apply for and administer grants. Additionally, TFFF has funded the creation of a Pathways to Securing Rural Federal Funding Toolkit, which provides support and resources intended to help address the challenges faced in accessing public sector funding streams from federal and state governments.

In 2021, The Ford Family Foundation contracted with Sequoia Consulting to conduct a study of the challenges faced by rural communities in securing federal funds. The study findings were captured in a report that identified the three greatest challenges faced by rural entities in securing federal funding:

lack of capacity, lack of expertise, and external resources. The report provides short-term, mid-term, and long-term recommendations for all three challenges.

SUPPORT FOR HB 3174: Part of the long-term recommendation for addressing lack of capacity is creation of a cohort model of grant writing/project management teams across rural Oregon, that are based in Economic Development Districts, Council of Governments, Community Action Agencies, or other organizations that address economic and community development in regions across Oregon. We believe that Economic Development Districts and Councils of Government are well-positioned to deploy “rapid response” teams of professionals to assist rural entities in securing state and federal funding.

MWVCOG supports the efforts of HB3174 and encourages the inclusion of Regional Capacity Building with Councils of Government, Economic Development Districts, Tribal Governments, and our partners at Business Oregon and the USDA in helping to integrate the opportunities to solve the issues in our states various regions.