

HB 4134 -1, -2 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/6, 2/13

WHAT THE MEASURE DOES:

The measure appropriates approximately \$21.9 million in general funds to the Department of Administrative Services for infrastructure grants to specified cities. It requires that infrastructure projects receiving funds must support housing developments in which at least 30 percent of the units are affordable to households earning 130 percent or less of county median income.

FISCAL: Fiscal impact issued on -1 amendment

REVENUE: No revenue impact on -1 amendment

Detailed Summary:

Directs the Department of Administrative Services (DAS) to provide **grants to specified cities for certain infrastructure projects**. Cities receiving grant funds must agree that: the infrastructure project is within the city's urban growth boundary; the project will be completed within 24 months of grant fund disbursement; **and the infrastructure project will directly benefit a planned housing development**. Clarifies that city grant funds are contingent on an agreement with a housing development owner on the minimum number of housing units that will be completed within 36 months of infrastructure project completion or 60 months after the disbursement of infrastructure grant funds, whichever is later. Requires that **at least 30 percent of housing development units are affordable for a minimum of 10 years to households earning 130 percent or less of county median income**.

Requires cities to submit progress reports to DAS that include an estimated timeline of infrastructure project completion, information on funds spent, and the number of housing units constructed. Requires DAS to report annually on grant program to interim committees of the Legislative Assembly on housing. Sunsets provisions of the grant program January 2, 2026; sunsets reporting requirements January 2, 2030.

Appropriates approximately \$21.9 million in general funds to the following cities and infrastructure projects:

- \$3,925,000 to the City of Madras for public road improvements, utility connections, sewer and water improvements
- \$3,729,000 to the City of Dayton for public water and sewer infrastructure improvements for Neck Road
- \$3,400,000 to the city of Carlton for public water, sewer, storm, and street improvements to Scott Street
- \$3,000,000 to the City of Burns for Miller Springs Infrastructure Improvements – Phase 1
- \$2,000,000 to the City of McMinnville for water infrastructure for Zone 2
- \$2,000,000 to the City of Sheridan for reconstruction of Sheridan Road
- \$1,450,000 for the City of Amity for off-site street improvements to Oak Avenue
- \$875,000 to the City of Newport for public roadway and wastewater infrastructure upgrades
- \$875,000 to the City of Gold Beach for public road, water, sewer, and utility upgrades in relation to Hunter Creek
- \$640,000 to the City of Toledo for infrastructure on Sturdevant Road

The measure declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Support for projects in smaller cities where permitting staff capacity is limited

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- Focus on workforce housing units affordable to households earning 130 percent county median income
- Interest in retaining policy elements in measure specific to rural areas

EFFECT OF AMENDMENT:

- 1 The amendment removes the grant allocation to the City of Dayton, and adds allocations for two projects:
- \$2,350,000 to the City of Cave Junction for public infrastructure expansion to the Jeffrey Blum subdivision
 - 750,000 to the City of Dallas for improvements to Washington Street and Church Street.

The amendment would adjust total appropriations from approximately \$21.9 million to approximately \$21.3 million.

- 2 The amendment adds a grant allocation of \$2 million to the Nehalem Bay Health District for demolition, site development and related efforts to facilitate community workforce 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. The department reported in its November 2022 [Oregon Housing Needs Analysis Technical Report](#) that of these needed housing units, 20 percent (nearly 112,000 units) must be affordable to moderate income households earning between 80 and 120 percent of area median income, while another 38 percent (nearly 202,000 units) need to be built to meet the needs of households earning above 120 percent area median income. In a 2022 University of Oregon [survey on barriers to housing production](#), three-quarters of respondents, representing predominantly housing planners and developers, described funding to finance infrastructure improvements as either a “moderate” or “extreme” barrier to producing housing units in their community.