

## HB 3031 -1 STAFF MEASURE SUMMARY

### House Committee On Housing and Homelessness

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**Meeting Dates:** 2/26

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#### WHAT THE MEASURE DOES:

Directs the Housing and Community Services Department (OHCS) to study housing issues and report to the Legislative Assembly by September 15, 2026. Sunsets these provisions on January 2, 2027.

*Fiscal impact: May have fiscal impact, but no statement yet issued*

*Revenue impact: May have revenue impact, but no statement yet issued*

#### ISSUES DISCUSSED:

##### EFFECT OF AMENDMENT:

-1 Replaces the measure.

##### Housing Infrastructure Financing Program

- Directs the Oregon Infrastructure Finance Authority (IFA) to create a housing infrastructure financing program that provides grants, loans or forgivable loans to a city, county, county service district, or tribal council of a federally recognized Indian tribe for projects that will primarily support a specified proposed housing development.
- Specifies that projects can involve the development or improvement of transportation, water, wastewater, or stormwater infrastructure; or site development, including the development of privately owned sites, necessary for the improvement of transportation, water, wastewater or stormwater infrastructure.
- Specifies the minimum density if proposed housing developments are located within an urban growth boundary and within a city.
- Specifies that if proposed housing developments are located within an urban growth boundary and not within a city or on a reservation of a federally recognized Indian tribe or on tribal trust land, the proposed developments need to meet density requirements established by the Oregon Business Development Department (OBDD) by rule.
- Requires that the developed housing must be subject to an affordable housing covenant. Designates the recipient of the grant or forgivable loan as the covenant holder.
- Requires that the housing is affordable to households with very low income, low income, or moderate income for a period of no less than 30 years from the date on which the housing is first available for occupancy as rental housing; or for a time set by OBDD since the housing is first sold as owner-occupied housing.
- Defines 'net residential acre' as an acre of buildable land, not including rights of way for streets, roads or utilities or areas not designated for development due to natural resource protections or environmental constraints, that is zoned for residential use.
- Permits housing authorities or housing developers to partner with an applicant to apply for and receive funding and to carry out projects. Allows these entities to enter into an agreement that enumerates their responsibilities.
- Allows OBDD to adopt rules to implement the program.
- Directs the Housing Accountability and Production Office (HAPO) to provide assistance in developing program requirements and prioritizing funding.

##### Housing Infrastructure Project Fund

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- Establishes Housing Infrastructure Project Fund (the fund).
- Directs IFA to coordinate with HAPO and OHCS to administer the Housing Project Revolving Loan Fund.
- Allows OBDD to accept grants, donations, contributions, or gifts from any source for deposit into the fund.
- Requires interest earned by the fund to be credited to the fund.
- Requires that funds in the fund are continuously appropriated to the OBDD to administer the fund and to implement the financing program.

Declares emergency, effective July 1, 2025.

### **BACKGROUND:**

[Senate Bill 1537](#), passed during the 2024 Legislative Session, established two key housing-related funds: the Moderate-Income Revolving Loan (MIRL) Program and the Housing Infrastructure Support Fund (HISF). The MIRL Program allocates \$75 million from the General Fund to expand very low-, low-, and moderate-income housing through no-interest loans to cities and counties (sponsoring jurisdictions). These jurisdictions can use the funds to grant developers support for projects serving households earning up to 120% of the area median income (AMI). Eligible projects include new housing or conversions of non-residential structures, with a 10-year property tax exemption, during which developers pay a predetermined program fee used by jurisdictions to repay the loan. Funds can cover infrastructure, construction, redevelopment, and land write-downs, with affordability requirements lasting at least 10 years. As loans are repaid, the Oregon Housing and Community Services (OHCS) can reissue funds for future projects. Phase One is currently underway, with further training planned for fall 2025. The HISF intends to help cities plan and finance critical infrastructure—such as water, sewer, stormwater, and transportation—to support housing development at specific minimum densities based on city size. These range from 17 dwelling units per net residential acre within the Metro urban growth boundary to 5 units per acre in cities with fewer than 2,500 residents. HISF offers cities technical assistance, support with local and federal financing, grant writing and administration, resource sharing, and engineering and design expertise to help them meet housing development goals.