

## SB 967 -2 STAFF MEASURE SUMMARY

### Senate Committee On Housing and Development

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**Meeting Dates:** 2/10, 3/3

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#### **WHAT THE MEASURE DOES:**

The measure authorizes local governments to enter into agreements governing local improvements located in unincorporated areas within a city's urban growth boundary.

#### Detailed Summary:

Clarifies that, as it relates to local improvements proposed for an unincorporated area within a city's urban growth boundary, the local governments in which the local improvement is located may enter into an intergovernmental agreement for the purpose of allocating jurisdiction among themselves for the local improvement.

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

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

#### **ISSUES DISCUSSED:**

- State's interest in infrastructure creation and improvement as a way to reduce barriers to the creation of needed housing
- Inter-governmental agreements allow for expedited projects and longer-term planning
- Intergovernmental agreements increase the efficiency and cooperation of local governments
- Local Improvement Districts (LIDs) are effective tools for the improvement of communities and the creation of housing
- LIDs are an effective tool to reduce the impediments of infrastructure costs
- Need to clarify the law about jurisdiction over unincorporated areas within an urban growth boundary

#### **EFFECT OF AMENDMENT:**

-2 Allows local government agreements to be reached for the governance of local improvements that will be, but have not yet been, adopted within their jurisdiction. Requires that any local improvements subject to intergovernmental agreements comply with the comprehensive plan of any city in which the improvement is or will be located. Clarifies that the creation of a local improvement district does not change the allowable uses of land within that district.

#### **BACKGROUND:**

According to the League of Oregon Cities, a Local Improvement District (LID) is "a method by which a group of property owners can share in the cost of infrastructure improvements, most commonly for roads, sidewalks, or storm water." It is a tool for capturing economies of scale for infrastructure improvements and for funding those improvements. Often, the arrangement is funded by the city or local government, and paid back over time by the property-owners who benefited from the improvement. Local improvement is defined in Oregon Revised Statutes (ORS) Chapter 310, and procedures for governing such projects are found in ORS Chapter 223.