

HB 3031 -2 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

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Meeting Dates: 2/26, 3/19

WHAT THE MEASURE DOES:

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

Fiscal impact: Fiscal impact statement issued

Revenue impact: No revenue impact

ISSUES DISCUSSED:

- Technical fixes and feedback from cities
- Applicability of provisions to urbanized unincorporated areas
- Infrastructure costs for housing development and burdens on cities
- Districts with existing urban services agreements with cities ability to choose participation in program
- Flexibility and adaptability of provisions in statute and in rules and clear administrative direction

EFFECT OF AMENDMENT:

-2 Replaces the measure.

Housing Infrastructure Financing Program

Directs the Oregon Infrastructure Finance Authority to establish a program to provide financial assistance for infrastructure projects that support housing developments in the form of grants, loans, or forgivable loans.

Determines eligible recipients as: cities, counties, county service districts, special districts, intergovernmental entities, and federally recognized tribal councils in Oregon.

Eligibility Requirements for Housing Developments

Specifies that projects must primarily support a specified proposed housing development and can include:

- Development or improvement of transportation, water, wastewater, or stormwater infrastructure, including upgrades for system capacity.
- Site development, including work on privately owned sites necessary for infrastructure improvements.

Requires proposed housing development to:

Be within an urban growth boundary, with priority given to higher-density developments:

- Metro Urban Growth Boundary: Minimum of 17 units per net residential acre.
- Other Urban Growth Boundaries:
 - Cities with 25,000+ people: Minimum 10 units per acre.
 - Cities with 2,500-24,999 people: Minimum 6 units per acre.
 - Cities with fewer than 2,500 people: Minimum 5 units per acre.
- Be on tribal land (reservation or trust land), meeting density rules set by the Oregon Business Development Department.

Affordable Housing Requirement

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Requires housing in the proposed development to be subject to an affordable housing covenant to qualify for grants or forgivable loans.

Requires housing to be affordable for very low-income, low-income, or moderate-income households for at least 10 years for rental housing, with priority given to projects with 30-year affordability.

Allows department to set by rule period of time housing will be made affordable to households with very low income, low income or moderate income for owner-occupied housing.

Partnerships with Housing Authorities & Developers

Allows Housing authorities or developers to partner with an applicant to receive funding and implement projects.

Allows partners to sign agreements outlining financial responsibilities, fund allocation, and repayment obligations.

Allocation Priorities

Directs the Oregon Infrastructure Finance Authority, in administering the Housing Infrastructure Financing Program, to use at least:

- 25% of funds to support cities or tribes with populations under 30,000.
- 25% of funds to support cities or tribes with populations between 30,000 and 100,000.

Coordination and rulemaking authority

Directs the Housing Accountability and Production Office to help develop funding priorities.

Directs the Oregon Infrastructure Finance Authority to coordinate with the Housing Accountability and Production Office and the Housing and Community Services Department regarding the Housing Project Revolving Loan Fund.

Allows the Oregon Business Development Department to adopt rules to implement the financial assistance program for infrastructure projects.

Housing Infrastructure Project Fund

Establishes the Housing Infrastructure Project Fund.

Permits the Oregon Business Development Department to accept grants, donations, contributions, and gifts for the fund.

Specifies that money in the fund are continuously appropriated to the Oregon Business Development Department for administering financial assistance program for infrastructure projects.

Declares emergency, effective on passage.

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)

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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.