

## HB 3104 -1 STAFF MEASURE SUMMARY

### House Committee On Economic Development, Small Business, and Trade

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**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 3/10, 3/26

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#### WHAT THE MEASURE DOES:

The measure establishes a framework and provides funding for a statewide rural community resource center. It declares an emergency and is effective on passage.

#### Detailed Summary:

Directs the Oregon Business Development Department (OBDD) to select an entity to serve as a statewide rural community resource center. The entity can be either a nonprofit specializing in public-private partnership or a statewide local government association of cities or counties. Directs OBDD to carry out an application process and to negotiate an agreement with the selected entity.

Directs the rural community resource center to provide technical assistance to service jurisdictions that lack staff capacity and expertise. Service jurisdictions include rural cities and counties, economic development districts other than the Greater Portland Economic Development District, and regional councils of government other than Metro. Defines “rural” as located entirely outside the Portland Metropolitan Area Regional Growth Boundary and outside the urban growth boundaries of all cities with more than 30,000 people.

Directs the center to:

- Develop plans for community facilities, infrastructure, revitalization, housing, and economic development.
- Develop and submit proposals for public and provide funding.
- Manage awarded funds.
- Hire seven professionals to provide assistance with public works, engineering, community development, housing, transportation, project management, and public administration and finance.

The center will research gaps in public and civic investment systems and identify opportunities for improvement.

They will also provide the following for service jurisdictions:

- Serve as a hub for available funding and resources.
- Provide a network to connect them to resources for project development, grant writing, and management assistance.
- Help establish development plan priorities.
- Connect them with regional intermediaries to provide technical assistance.

Establishes the Rural Community Resource Leverage (RCRL) Fund. Appropriates money from the RCRL Fund to OBDD for distribution to the entity selected as the rural community resource center. RCRL Fund includes money appropriated, allocated, or transferred to the fund; interest earned on money in the fund; and money or property received by the department or the center.

Directs the rural community resource center to use money in the RCRL Fund to develop and submit proposals for public and private awards to fund development plans. Directs the center to prioritize grants or awards that require matching funds. Allows the center to use funds to directly seek public and private awards for deposit in the fund. Money in the RCRL Fund may also be used for activities of the professional staff described in the measure and other operating expenses of the center.

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Appropriates \$6,000,000 to OBDD to be distributed to the rural community resource center, including \$3,000,000 for activities of professional staff and \$3,000,000 for developing and submitting proposals for awards to fund development plans.

Declares an emergency, effective on passage.

- *FISCAL: May have fiscal impact, but no statement issued yet.*
- *REVENUE: May have revenue impact, but no statement issued yet.*

### ISSUES DISCUSSED:

- Staff capacity challenges in rural areas
- Opportunities for rural areas to receive federal funding
- Need for future funding
- Oversight of the program
- Focus on smaller communities
- Location of rural community resource center
- Access to center resources

### EFFECT OF AMENDMENT:

-1 The amendment appropriates \$70,000 to each of the 12 economic development districts in the state, for a total of \$1,680,000. It limits the use of funding to rural communities. It requires each district to receive federal matching grants awarded by the U.S. Economic Development Administration of the U.S. Department of Commerce.

### BACKGROUND:

[Oregon's Economic Development Districts \(OEDD\)](#) are part of a broad national network of districts designated and funded by the U.S. Economic Development Administration (EDA). There are 12 districts in Oregon, which cover the entire state, including counties, municipalities, and Tribal land. According to OEDD, there are many opportunities for rural Oregon communities to access and utilize public sector funding. However, they may lack capacity to capitalize on these opportunities. [House Bill 2345 \(2021\)](#) created the Oregon Rural Capacity Fund and provided \$500,000 to the OEDDs to provide technical assistance to help rural communities obtain funding. These contracts have mainly been closed out, and the need for assistance remains.

For the past two years, the [U.S. Department of Agriculture Rural Development](#) division and [Oregon iSector](#) have convened three summits with leaders and community partners in rural Oregon. The group focused on understanding barriers and creating a strategy to allow rural Oregon to capitalize on federal funding. Suggestions that emerged from the forum included creating a hub for funding and resources available to these communities, supporting leaders in understanding and addressing needs, and connecting local and regional intermediaries to provide technical assistance. House Bill 3104 was developed based on these recommendations. It establishes a framework and provides funding for a statewide rural community resource center.