

SB 1103 STAFF MEASURE SUMMARY

Senate Committee On Housing and Development

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/31

WHAT THE MEASURE DOES:

The measure directs the Oregon Business Development Department (Business Oregon) to establish a revolving loan fund to provide below-market-interest-rate loans to cities or tribal councils for infrastructure projects that will support the development of housing in climate-friendly areas.

Detailed Summary:

Directs the Oregon Business Development Department (Business Oregon) to establish a revolving loan fund program to provide below-market-interest-rate loans to cities or tribal councils for infrastructure projects that will primarily support the development of housing within a city's urban growth boundary (UGB). Directs the State Treasury to create the Climate-Friendly Housing Infrastructure Revolving Loan Fund to house the funds provided to this revolving loan fund program, which are continuously appropriated to Business Oregon for this loan program. Defines loan-eligible projects as those for the development, site development (including the development of privately-owned site), or improvement of transportation, water, wastewater, or stormwater infrastructure. Directs Business Oregon to give preference for projects that are in areas or overlay zones designated climate-friendly by the Department of Land Conservation and Development, incorporate standards of DLCDC's 2025 Walkable Design Standards Guidebook and/or are designed for residential infill or redevelopment.

Directs all moneys received from these loans to be repaid to Business Oregon and deposited into the Climate-Friendly Housing Infrastructure Revolving Fund. Directs Business Oregon to adopt rules by July 1, 2026 to implement the program, using (to the extent practicable) loan terms and program features from the United States Environmental Protection Agency's Clean Water State Revolving Loan Fund. Appropriates \$300 million out of the general fund for deposit into the Climate-Friendly Housing Infrastructure Revolving Fund for the biennium beginning July 1, 2025.

Declares an emergency, effective July 1, 2025.

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:

No amendment.

BACKGROUND:

A revolving loan fund (RLF) is a tool to provide financing for projects that may require large amounts of capital, such as municipal infrastructure. The fund is established through an initial investment and is continuously funded by the repayments and interest earned that are reinvested back into the fund to issue new loans, creating a self-sustaining cycle of financing. There are several RLFs in operation that have been set up by the Oregon Legislature, including the Oregon Port Revolving Fund, Safe Drinking Water Revolving Loan Fund (a Federal/State

This summary has not been adopted or officially endorsed by action of the committee.

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partnership), Oregon Business Development Fund, and the [Moderate Income Revolving Loan Fund \(MIRL\)](#). The MIRL Fund was created by [Senate Bill 1537 \(2024\)](#) to provide zero interest loans to cities and counties for developing new housing units that do not have enough financing to start construction. The bill also established the Housing Infrastructure Support Fund (HISF) to provide capacity and support to municipalities for the planning and financing of infrastructure for water, sewers and sanitation, stormwater, and transportation needed to produce housing.

PRELIMINARY