

**HB 3031 A STAFF MEASURE SUMMARY****Carrier:** Sen. Anderson**Joint Committee On Ways and Means****Action Date:** 06/24/25**Action:** Do pass the A-Eng bill.**Senate Vote****Yeas:** 10 - Anderson, Broadman, Campos, Frederick, Girod, Lieber, Manning Jr, McLane, Smith DB, Sollman**Exc:** 1 - Bonham**House Vote****Yeas:** 10 - Bowman, Breese-Iverson, Evans, Gomberg, Levy E, Owens, Ruiz, Sanchez, Smith G, Valderrama**Exc:** 2 - Cate, Drazan**Fiscal:** Fiscal impact issued**Revenue:** No revenue impact**Prepared By:** Michelle Deister, Budget Analyst**Meeting Dates:** 6/24, 6/24**WHAT THE MEASURE DOES:**

The measure creates a program to provide financial assistance for infrastructure projects that support housing developments in the form of grants, loans, or forgivable loans to cities, counties, county service districts, special districts, intergovernmental entities, and federally recognized Tribal councils in Oregon. The measure 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.

**Detailed Summary:****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 percent of funds to support cities or Tribes with populations under 30,000.
  - 25 percent 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 requirements and 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 moneys 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.

### **ISSUES DISCUSSED:**

- Other Funds Expenditure limitation of \$1 included in HB 5006
- Budget Note requiring a report on program implementation and project recommendations

### **EFFECT OF AMENDMENT:**

No amendment.

### **BACKGROUND:**

The measure complements two measures established by Senate Bill 1537 (2024): the Moderate-Income Revolving Loan (MIRL) Program in the Housing and Community Services Department, and the Housing Infrastructure Support Fund (HISF).

The MIRL Program made \$75 million available to municipalities to expand very low-, low-, and moderate-income housing through no-interest loans which could be granted to developers for eligible projects.

The 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.