

A-Engrossed
House Bill 3031

Ordered by the House March 25
Including House Amendments dated March 25

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Tina Kotek for Oregon Business Development Department)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act requires OIFA to finance roads and pipes to support new home building. (Flesch Readability Score: 77.8).

[Digest: The Act tells OHCS to study housing. (Flesch Readability Score: 90.9).]

[Requires the Housing and Community Services Department to study housing. Directs the department to submit findings to the interim committees of the Legislative Assembly related to housing not later than September 15, 2026.]

Establishes a program through which the Oregon Infrastructure Finance Authority may provide financial assistance for infrastructure to support housing development. Establishes the Housing Infrastructure Project Fund for the program.

Declares an emergency, effective July 1, 2025.

A BILL FOR AN ACT

1
2 Relating to housing; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Sections 2 and 3 of this 2025 Act are added to and made a part of ORS**
5 **285B.410 to 285B.482.**

6 **SECTION 2. (1) The Oregon Infrastructure Finance Authority shall create a housing**
7 **infrastructure financing program through which the authority may provide financial assist-**
8 **ance, in the form of grants, loans or forgivable loans to a city, a county, a county service**
9 **district organized under ORS chapter 451, a district as defined in ORS 198.010, an intergov-**
10 **ernmental entity formed under ORS chapter 190 or a tribal council of a federally recognized**
11 **Indian tribe in this state, for a project that will primarily support a specified proposed**
12 **housing development. A project under this section may include:**

13 (a) **The development or improvement of transportation, water, wastewater or stormwater**
14 **infrastructure, including improvements to system capacity linked to a specified proposed**
15 **housing development; or**

16 (b) **Site development, including the development of privately owned sites, necessary for**
17 **the improvement of transportation, water, wastewater or stormwater infrastructure.**

18 (2)(a) **To be eligible for grants, loans or forgivable loans under this section, a proposed**
19 **housing development supported by the project must be:**

20 (A) **Located within an urban growth boundary, with priority given to projects with a**
21 **minimum density of:**

22 (i) **Seventeen dwelling units per net residential acre if sited within the Metro urban**
23 **growth boundary; or**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (ii) For a proposed housing development within an urban growth boundary other than the
2 Metro urban growth boundary:

3 (I) Ten units per net residential acre if sited in a city, including territory to be annexed
4 by the city upon completion of the project, with a population of 25,000 or greater;

5 (II) Six units per net residential acre if sited in a city, including territory to be annexed
6 by the city upon completion of the project, with a population of at least 2,500 but less than
7 25,000; or

8 (III) Five units per net residential acre if sited in a city, including territory to be annexed
9 by the city upon completion of the project, with a population of less than 2,500; or

10 (B) Within an urban growth boundary and not within a city or must be on a reservation
11 of a federally recognized Indian tribe or on tribal trust land. A proposed housing development
12 under this subparagraph must meet any density priority established by the Oregon Business
13 Development Department by rule.

14 (b) As used in this subsection, “net residential acre” means an acre of buildable land, not
15 including rights of way for streets, roads or utilities or areas not designated for development
16 due to natural resource protections or environmental constraints, that is zoned for residen-
17 tial use.

18 (3) To be eligible for a grant or forgivable loan under this section, the housing to be de-
19 veloped within the proposed housing development supported by the project must be subject
20 to an affordable housing covenant, as defined in ORS 456.270, under which:

21 (a) The recipient shall serve as, or designate, the covenant holder; and

22 (b) The housing will be made affordable to households with very low income, low income
23 or moderate income, as those terms are defined in ORS 458.610:

24 (A) For a period of no less than 10 years from the date on which the housing is first
25 available for occupancy as rental housing, with priority given to projects with a period of at
26 least 30 years; or

27 (B) For a length of time to be established by the department by rule from the date on
28 which the housing is first sold as owner-occupied housing.

29 (4) A housing authority as defined in ORS 456.005 or housing developer may partner with
30 an applicant to apply for and receive funding and to carry out projects under this section.
31 The housing authority or housing developer, as applicable, and the applicant may enter into
32 an agreement that enumerates the partners’ responsibilities, including financial responsibil-
33 ities, appropriate allocations of moneys and responsibility for loan repayment or grant per-
34 formance.

35 (5) In administering the program, the Oregon Infrastructure Finance Authority shall use
36 at least:

37 (a) Twenty-five percent of the funds to support cities or Indian tribes with populations
38 of less than 30,000; and

39 (b) Twenty-five percent of the funds to support cities or Indian tribes with populations
40 of 30,000 or greater and less than 100,000.

41 (6) The Housing Accountability and Production Office shall provide assistance in devel-
42 oping requirements and prioritizing funding under this section.

43 (7) In administering the program, the authority shall coordinate with:

44 (a) The office; and

45 (b) The Housing and Community Services Department with respect to its administering

1 of the Housing Project Revolving Loan Fund under section 35, chapter 110, Oregon Laws 2024.

2 (8) The Oregon Business Development Department may adopt rules to implement this
3 section.

4 **SECTION 3.** (1) The Housing Infrastructure Project Fund is established in the State
5 Treasury, separate and distinct from the General Fund.

6 (2) The Oregon Business Development Department may accept grants, donations, con-
7 tributions or gifts from any source for deposit in the Housing Infrastructure Project Fund.

8 (3) Interest earned by the fund shall be credited to the fund.

9 (4) Moneys in the fund are continuously appropriated to the department to administer
10 the fund and to implement section 2 of this 2025 Act.

11 **SECTION 4.** This 2025 Act being necessary for the immediate preservation of the public
12 peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect
13 July 1, 2025.

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