

House Bill 3939

Sponsored by Representatives ELMER, OWENS, WRIGHT; Representative SCHARF, Senators MCLANE, STARR

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 **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act gives OBDD moneys to grant to cities for housing infrastructure. (Flesch Readability Score: 67.7).

Extends the temporary Oregon Business Development Department residential infrastructure grant program by two years. Appropriates moneys for specified cities and projects.

Declares an emergency, effective July 1, 2025.

A BILL FOR AN ACT

Relating to infrastructure projects; creating new provisions; amending sections 1, 3 and 4, chapter 103, Oregon Laws 2024; and declaring an emergency.

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

SECTION 1. Section 1, chapter 103, Oregon Laws 2024, is amended to read:

Sec. 1. (1) As used in this section:

(a) "Housing development" means multifamily housing or a mix of multifamily, middle housing and single-family housing units planned, owned or constructed together through one or more applications or development projects under ORS 227.175 or a development agreement under ORS 94.504 to 94.528.

(b) "Infrastructure project" means a specific project for which funds are appropriated under section 5, **chapter 103, Oregon Laws 2024, or granted under section 2 of this 2025 Act** *[of this 2024 Act]*.

(c) "Workforce income household" means a household with income less than or equal to 130 percent of the county median income based on information or estimates available from the United States Census Bureau.

(2) The Oregon Business Development Department shall provide grants to cities for the purpose of developing infrastructure projects.

(3) To receive a grant under this section, a city must agree that:

(a) The infrastructure project will be within the city's urban growth boundary and will contribute to the development of housing within the urban growth boundary;

(b) The infrastructure project will be completed within 24 months of the disbursement of the funds;

(c) The city has identified a specific, planned housing development that will be primarily benefited by the infrastructure project;

(d) The city has or will enter into an agreement with the property owner of the housing development as provided in subsection (4) of this section;

(e) The city will assign to the state any moneys or claims based on subsection (4)(c) of this section; and

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.

(f) The city will provide reports as required under section 2, **chapter 103, Oregon Laws 2024** [of this 2024 Act].

(4) A city may not receive a disbursement of the grant until the city and the property owner of the identified housing development have entered into one or more agreements to provide that:

(a) The owner will construct a minimum specified number of housing units before the latter of 36 months after the completion of the infrastructure project or 60 months after the disbursement of the infrastructure grant.

(b) No less than 30 percent of the dwelling units within the housing development will be subject to an affordable housing covenant, as defined in ORS 456.270, under which:

(A) The city shall serve as or designate the covenant holder; and

(B) The housing will be made affordable to workforce income households for a period of no less than 10 years.

(c) In addition to any other remedies, the owner is liable to repay to the city the amount of the infrastructure grant under this section if the units are not developed or the affordability is not maintained as required in this subsection, except for delays outside of the owner's control.

(d) The owner will assist the city in its reporting requirements under section 2, **chapter 103, Oregon Laws 2024** [of this 2024 Act].

SECTION 2. The Oregon Business Development Department shall provide grants to cities under section 1, chapter 103, Oregon Laws 2024, to develop infrastructure projects as follows:

(1) **To the City of Florence for streets, sidewalks, under grounding power, street lights, stormwater, water and wastewater improvements.**

(2) **To Baker City for water, sewer, streets and private utilities.**

(3) **To the City of Burns for water, sewer, streets and private utilities.**

(4) **To the City of Ontario for water, sewer, stormwater and streets.**

(5) **To the City of Burns and the City of Hines for 4,200 lineal feet of streets with water, sewer and private utilities, including power or fiber.**

(6) **To the City of Dallas for water, sewer, storm drainage and street improvements in the vicinity of Oakdale Avenue and SW Hayter Street.**

(7) **To the City of Dallas for water, sewer, storm drainage and street improvements in the vicinity of SE Barberry Avenue and SE Hankel Street.**

(8) **The City of Carlton for a two-part water loop system.**

SECTION 3. Section 2 of this 2025 Act is repealed on January 2, 2028.

SECTION 4. Section 3, chapter 103, Oregon Laws 2024, is amended to read:

Sec. 3. Section 1, chapter 103, Oregon Laws 2024, as amended by section 1 of this 2025 Act, [of this 2024 Act] is repealed on January 2, [2026] 2028.

SECTION 5. Section 4, chapter 103, Oregon Laws 2024, is amended to read:

Sec. 4. Section 2, chapter 103, Oregon Laws 2024, [of this 2024 Act] is repealed on January 2, [2030] 2032.

SECTION 6. In addition to and not in lieu of any other appropriation, there are appropriated to the Oregon Business Development Department, for the biennium beginning July 1, 2025, out of the General Fund, \$15,850,000 to provide the following grants:

(1) **\$2,350,000 under section 2 (1) of this 2025 Act.**

(2) **\$3,000,000 under section 2 (2) of this 2025 Act.**

(3) **\$3,000,000 under section 2 (3) of this 2025 Act.**

(4) **\$1,000,000 under section 2 (4) of this 2025 Act.**

1 **(5) \$3,000,000 under section 2 (5) of this 2025 Act.**

2 **(6) \$1,000,000 under section 2 (6) of this 2025 Act.**

3 **(7) \$1,000,000 under section 2 (7) of this 2025 Act.**

4 **(8) \$1,500,000 under section 2 (8) of this 2025 Act.**

5 **SECTION 7. This 2025 Act being necessary for the immediate preservation of the public**
6 **peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect**
7 **July 1, 2025.**

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