



March 11, 2025

Representative Pam Marsh, Chair
House Committee on Housing and Homelessness
900 Court St. NE
Salem, OR 97301

RE: Support for HB 2968

Chair Marsh and members of the committee:

The City of Hillsboro would like to thank Representative Gamba for spearheading this important legislation. System Development Charges (SDCs) are calculated according to statutory methodology that reflects the actual cost of infrastructure and the impact of development on infrastructure capacity. SDCs must be spent on allowable uses – specifically *capital improvements* to water, wastewater, transportation, or parks infrastructure.

The Oregon Legislature has been grappling with the rising cost of housing for over a decade. Over that time, legislation has been introduced regularly that would require local governments to defer SDCs to certificate of occupancy in the name of housing affordability. That approach has caused deep concerns from local governments who cannot guarantee an SDC will be paid at certificate of occupancy in the way it can guarantee payment at the time a building permit is issued. Recognizing the complexity of the issue, the Legislature recently directed Oregon Housing and Community Services (OHCS) to do a comprehensive study on SDCs (HB 3040, 2021 – study deadline extended in HB 4014, 2022). That study confirmed an uncomfortable truth – infrastructure costs what it costs, and someone must pay to upgrade infrastructure to facilitate housing development. There are no easy answers.

HB 2968 appropriately proposes the state become a partner with local governments and housing developers in achieving our shared objectives to increase housing production and affordability. The bill removes the risk to local taxpayers and ratepayers by requiring the state to buy SDC debt that cannot be collected at certificate of occupancy. HB 2968 is a thoughtful way to mitigate risk to residents while supporting capacity improvements to public infrastructure that are necessary to support housing production. We urge your support.

Sincerely,

Ariel Nelson
Government Relations Manager