



March 14, 2025

House Committee on Housing and Homelessness  
Oregon State Legislature  
900 Court St. NE,  
Salem, OR 97301

**Re: HB 2968 - Balancing Infrastructure and Housing Development**

When League of Oregon Cities and our members cities were developing our agenda for 2025-2026 two issues rapidly rose to the top, infrastructure and housing development. Our cities and communities are in vital need of both, and they are intrinsically tied together. Infrastructure funding and support for system capacity is core to ensuring that we can continue to meet our shared housing goals.

HB 2968 was developed with the balance of housing and infrastructure in mind. It protects System Development Charges (SDCs), the vital city tool to ensure funding from community infrastructure, and makes it easier for needed housing developments to pencil, by reducing the amount of construction financing that is required since construction financing is far more expensive than permanent financing.

SDCs are one-time fees charged on new development to help pay for existing and planned infrastructure to serve the development. SDCs are the core means of financing infrastructure for local governments, with the decline in the federal cost share and limited revenue. SDCs are one of the few tools that our cities have to fund needed infrastructure to support our communities. SDCs help our infrastructure grow as our communities do.

Cities appreciate the flexibility of this program and acknowledgement that cities are all in different financial positions, not all can afford to assume the risk of SDC deferral and some cannot afford to defer SDCs at all. Two thirds of our cities, big and small, face fiscal cuts by the end of the biennium.

[HB 2968](#) furthers our shared housing development goals by allowing local governments to defer SDCs with the protection of transferring the financial risk of deferral, which most cities cannot bear, to the state.

Thank you for your considerations and we urge your support of this measure.