



SB 5534 – Lottery Bonding

The LOC appreciates the significant commitment to local communities found in the Governor's recommended budget. Cities have been on the front line of the economic response to the COVID-19 pandemic and the lottery bond investments found in SB 5534 will be invaluable to helping kick start the state's recovery. These investments will be critical to modernization of infrastructure across the state and will support long term resiliency for generations of Oregonians.

General Infrastructure Investments

The Governor's recommended budget includes several items of particular importance to cities. We hope the legislature will fund these items at least to the level found in the Governor's budget:

- \$50 million in lottery bonds for the Special Public Works Fund for addressing public works and regional infrastructure needs around the state through loans and limited grants to public agencies for planning and construction.
- \$10 million for the Brownfield Redevelopment Fund needed for fund capitalization to allow public and private owners to continue the work of cleaning these properties and returning them to productive use.
- \$40 million for the Regional Infrastructure Fund to provide grants and loans to local governments for projects including long-range planning, research, and design.
- \$47 million in wildfire recovery grants to assist communities affected by the historic 2020 wildfires in rebuilding.

Water Infrastructure Investments

Through a recently conducted survey, the LOC has estimated that water infrastructure needs across the state total over \$23 billion of necessary investment in the next 20 years. These projects are critical to address seismic resilience needs, support public health, protection the environment through water quality investments, and to support community livability, population growth, economic development, and fire suppression needs.

The LOC encourages the committee and the legislature to support key investments within SB 5534 that will support water infrastructure needs across the state. In addition, we encourage consideration of additional funding for the Special Public Works Fund as the backlog of infrastructure needs in this state far surpasses the investments proposed.

Oregonians are struggling with drinking water and sewer rate affordability and financing of these projects at the local level is a big factor impacting local rates. Without additional investment from the state and federal governments, communities face tough decisions

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including not investing in necessary projects or making investments that will further exacerbate affordability challenges for their ratepayers.

LOC supports the following investments that will specifically support critical water-related infrastructure and would welcome any additional support the legislature could provide:

- \$20 million in Water Project Grants and Loans administered through Oregon Water Resources Department.
- \$500,000 in Oregon Water Resources Department feasibility studies for water conservation, reuse and storage.
- Specific investments to support individual communities with water supply projects and dam safety investments.

Affordable Housing Preservation Investments

Cities large and small continue to face escalating rates of homelessness and a severe shortage of affordable and available housing. In the 2021 Legislative Session, the LOC is advocating to increase critical state investments in housing and services programs across the housing spectrum.

As Oregon continues to invest in and build new, affordable housing it is critically important that we also maintain our state's existing affordable housing infrastructure. Just like schools or hospitals, affordable rental homes need regular investments to ensure they stay safe and affordable for generations. These homes have provided stability, safety, and affordability for communities for the last thirty-plus years. The people who live in these homes are seniors, people experiencing disabilities, and working families. In many of our smaller cities, these buildings are the only affordable apartment homes available.

As a member of the Oregon Housing Alliance, the LOC supports the inclusion of \$100 million in lottery backed bonds to preserve and maintain affordable housing across Oregon.

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