



CITY OF BEND

April 16, 2025

House Committee on Rules
Oregon State Capitol
900 Court Street NE
Salem, Oregon 97701

RE: City of Bend Testimony Opposing HB 3499

Chair Bowman, Vice-Chairs Drazen and Pham, and Members of the Committee,

The City of Bend opposes HB 3499. Below are some of our concerns regarding the proposed legislative changes and the positive impacts urban renewal has had in Bend.

- **Urban Renewal's Importance for Economic Development.** Urban renewal is crucial for local development in Oregon. Oregon cities have limited economic development tools and revenue options at their disposal. Urban renewal helps cities finance identified projects to support housing production and economic growth. HB 3499, which would require a public vote for new urban renewal plans and substantial amendments, will discourage or halt the use of this tool, slowing economic development statewide. Adding barriers to one of the few economic development tools available will further erode Oregon cities' economic competitiveness in the national market.
- **Local Control.** Cities already have the authority to require a public vote to create or amend an urban renewal district. HB 3499 imposes a one-size-fits-all requirement that conflicts with Oregon's strong tradition of home rule and ignores that different communities have different needs and approaches.
- **Regulation and Accountability.** Modern urban renewal is regulated by state statute and is subject to oversight from special districts and the public. Legal safeguards are already in place to ensure accountability, public engagement, and public recourse through voter referendum.
- **Costs and Uncertainty.** Requiring public votes for new or amended urban renewal plans will increase administrative costs, time, and economic uncertainty. HB 3499 will impose a state mandated delay that will undermine one of the only tools for economic development, reducing predictability and deterring private investment.

Bend recently established a “site-specific urban renewal program” to promote housing affordability and jobs in exchange for urban renewal assistance. The program requires developers to meet certain criteria and outcomes to receive the benefit of an urban renewal tax rebate. To develop the program, the City collaborated with special districts and sought feedback from community associations, organizations, and individuals to identify the most beneficial affordability and employment levels needs. In the first round of program applications this year, the City is on track to incentivize the delivery of over 1,200 housing units, of which 20% will be dedicated to households earning 90% area

median income (AMI) or less. Developers have also committed to using over 25% local contractors to help spur local economic development and incorporate energy efficiency standards in line with Council and community goals.

Urban renewal has been invaluable in assisting the City of Bend to meet local goals and the state's residential unit target for 2030. We urge a no vote on HB 3499.

Thank you for your attention and consideration.

Sincerely,



Melanie Kebler
Mayor
City of Bend



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