

Enrolled
House Bill 3031

Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of Governor Tina Kotek for Oregon Business Development Department)

CHAPTER

AN ACT

Relating to housing; and declaring an emergency.

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

SECTION 1. Sections 2 and 3 of this 2025 Act are added to and made a part of ORS 285B.410 to 285B.482.

SECTION 2. (1) The Oregon Infrastructure Finance Authority shall create a housing infrastructure financing program through which the authority may provide financial assistance, in the form of grants, loans or forgivable loans to a city, a county, a county service district organized under ORS chapter 451, a district as defined in ORS 198.010, an intergovernmental entity formed under ORS chapter 190 or a tribal council of a federally recognized Indian tribe in this state, for a project that will primarily support a specified proposed housing development. A project under this section may include:

(a) The development or improvement of transportation, water, wastewater or stormwater infrastructure, including improvements to system capacity linked to a specified proposed housing development; or

(b) Site development, including the development of privately owned sites, necessary for the improvement of transportation, water, wastewater or stormwater infrastructure.

(2)(a) To be eligible for grants, loans or forgivable loans under this section, a proposed housing development supported by the project must be:

(A) Located within an urban growth boundary, with priority given to projects with a minimum density of:

(i) Seventeen dwelling units per net residential acre if sited within the Metro urban growth boundary; or

(ii) For a proposed housing development within an urban growth boundary other than the Metro urban growth boundary:

(I) Ten units per net residential acre if sited in a city, including territory to be annexed by the city upon completion of the project, with a population of 25,000 or greater;

(II) Six units per net residential acre if sited in a city, including territory to be annexed by the city upon completion of the project, with a population of at least 2,500 but less than 25,000; or

(III) Five units per net residential acre if sited in a city, including territory to be annexed by the city upon completion of the project, with a population of less than 2,500; or

(B) Within an urban growth boundary and not within a city or must be on a reservation of a federally recognized Indian tribe or on tribal trust land. A proposed housing development

under this subparagraph must meet any density priority established by the Oregon Business Development Department by rule.

(b) As used in this subsection, "net residential acre" means an acre of buildable land, not including rights of way for streets, roads or utilities or areas not designated for development due to natural resource protections or environmental constraints, that is zoned for residential use.

(3) To be eligible for a grant or forgivable loan under this section, the housing to be developed within the proposed housing development supported by the project must be subject to an affordable housing covenant, as defined in ORS 456.270, under which:

(a) The recipient shall serve as, or designate, the covenant holder; and

(b) The housing will be made affordable to households with very low income, low income or moderate income, as those terms are defined in ORS 458.610:

(A) For a period of no less than 10 years from the date on which the housing is first available for occupancy as rental housing, with priority given to projects with a period of at least 30 years; or

(B) For a length of time to be established by the department by rule from the date on which the housing is first sold as owner-occupied housing.

(4) A housing authority as defined in ORS 456.005 or housing developer may partner with an applicant to apply for and receive funding and to carry out projects under this section. The housing authority or housing developer, as applicable, and the applicant may enter into an agreement that enumerates the partners' responsibilities, including financial responsibilities, appropriate allocations of moneys and responsibility for loan repayment or grant performance.

(5) In administering the program, the Oregon Infrastructure Finance Authority shall use at least:

(a) Twenty-five percent of the funds to support cities or Indian tribes with populations of less than 30,000; and

(b) Twenty-five percent of the funds to support cities or Indian tribes with populations of 30,000 or greater and less than 100,000.

(6) The Housing Accountability and Production Office shall provide assistance in developing requirements and prioritizing funding under this section.

(7) In administering the program, the authority shall coordinate with:

(a) The office; and

(b) The Housing and Community Services Department with respect to its administering of the Housing Project Revolving Loan Fund under section 35, chapter 110, Oregon Laws 2024.

(8) The Oregon Business Development Department may adopt rules to implement this section.

SECTION 3. (1) The Housing Infrastructure Project Fund is established in the State Treasury, separate and distinct from the General Fund.

(2) The Oregon Business Development Department may accept grants, donations, contributions or gifts from any source for deposit in the Housing Infrastructure Project Fund.

(3) Interest earned by the fund shall be credited to the fund.

(4) Moneys in the fund are continuously appropriated to the department to administer the fund and to implement section 2 of this 2025 Act.

SECTION 4. This 2025 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect July 1, 2025.

Passed by House June 26, 2025

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Timothy G. Sekerak, Chief Clerk of House

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Julie Fahey, Speaker of House

Passed by Senate June 27, 2025

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Rob Wagner, President of Senate

Received by Governor:

.....M.,....., 2025

Approved:

.....M.,....., 2025

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Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M.,....., 2025

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Tobias Read, Secretary of State