



March 27, 2025

Oregon State Legislature
Senate Committee On Housing and Development

RE: SB 1103 - Infrastructure funding

Chair Pham, Vice-Chair Anderson, and Members of the Committee,

Thank you for the opportunity to submit **testimony in support of SB 1103** on behalf of 1000 Friends of Oregon, Better Housing Together, Central Oregon LandWatch, Portland Neighbors Welcome, and Thrive Hood River. This group of state-wide affordable housing advocates, builders, and land use organizations has come together this session to help move forward key policies and approaches that will effectively tackle Oregon's affordable housing shortage and put homes and more affordable living within reach of all Oregonians.

We support the scope of infrastructure legislation introduced this session. It recognizes that a lack of funding for essential water, sewer and transportation infrastructure is one of *the* most significant barriers Oregon's communities face when working to build more affordable and abundant housing. It also recognizes that **Oregon's cities need both site specific investments and system level infrastructure investments to unlock the housing Oregon needs** in cities and towns of all sizes - and we strongly support both.

SB 1103 would require the Oregon Business Development Department to establish a revolving loan program for infrastructure projects, primarily in the Climate Friendly Areas (CFAs) that the state's eight major metropolitan areas have designated for a large part of their diverse and more compact residential development, located in walkable, mixed use neighborhoods. Some of these areas need larger scale upgrades to their water, sewer, or road systems that go beyond a single development - and will enable an entire area to (re)develop with housing and other essential services and amenities.

That's why we support a focus on Climate Friendly Areas (CFAs) in this bill. This approach maximizes the co-benefits of these infrastructure investments - including more affordable living, climate resilience, and transportation choice - while helping cities meet their state climate and housing requirements under Climate Friendly and Equitable Communities (CFEC) and Oregon Housing Needs Analysis (OHNA). We would encourage considering additional, similar criteria for rural and smaller cities (who aren't required to designate CFA's) so they can also progress towards these types of development that deliver co-benefits. These targeted investments would build vibrant complete communities that are more affordable and amazing places to call home for people from all walks of life.

As this committee considers SB 1103 and other approaches to ensuring the State plays a pivotal, impactful role in helping address the housing-related infrastructure needs of Oregon's cities, we urge:

- **A continued focus on and robust funding for infrastructure to get urban land development ready for housing:** We know making more available lands within our cities and towns 'shovel-ready' with infrastructure that supports housing development is one of the most impactful actions the state can take to reach Oregon's housing goals and put homes within reach for all Oregonians.
- **Programs and funding for both site specific and system/capacity level infrastructure investments:** The infrastructure needs across our state are significant, unique and varied. They span a spectrum of smaller, project specific needs to much larger system and capacity level investments. We must have programs and funding that address this spectrum of infrastructure needs to truly unlock the tens of thousands of housing units we need within our cities and towns.
- **More bang for the buck: Maximize benefits with programmatic housing-related infrastructure investments:** We support the state's infrastructure funding programs using co-benefit criteria to help prioritize projects for both site specific and system-level infrastructure investments. This will maximize housing as well as other co-benefits that support more affordable living, climate resilience, and transportation choice.
- **Consideration of co-benefit criteria during rulemaking:** During state housing-related infrastructure program rulemaking it will be important to consider criteria that maximizes housing and other co-benefits in both urban and rural communities.
- **Considerations for the application and screening process during rulemaking:** The rulemaking should consider both urban and rural communities, including how best to target investments within our cities and towns to provide for equity while preventing the over-dilution of funds. It will also be important to consider: existing limits on infrastructure loans to help prevent cities from overextending financially or monopolizing funds; allowing cities with large system-wide loans to still access smaller, site-specific loans, particularly when the project sponsor plans to repay the loan and; ensuring the process for awarding site-specific loans aligns with other state affordable housing funding processes to improve coordination, usability, and efficiency.

SB 1103, with its focus on targeted infrastructure investments in climate friendly neighborhoods designated under the Climate Friendly & Equitable Communities program, brings together the co-benefits of providing more affordable and diverse housing for all, reducing greenhouse gas emissions, and supporting vibrant and walkable neighborhoods. **We urge your support of these concepts that enhance and elevate the positive impact of state housing infrastructure investments.** This is a powerful way to move more affordable housing forward and increase livability in every Oregon community. Thank you for your service and consideration of this testimony.

Sincerely,

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