



February 8, 2024

Chairman Jama
Senate Housing and Development Committee
900 Court Se. NE
Salem, OR 97301

RE: Eugene Support for Section 16 within the -4 amendment to SB 1537

The City of Eugene appreciates the time and thought put into amending SB 1537 to address the request of many cities to broaden the type of projects eligible to access the proposed Housing Infrastructure Support Fund. With these changes, Eugene fully supports the Financial Assistance Supporting Housing Production element of SB 1537.

Over the course of the past nine months, the City of Eugene has engaged within the Governor's Housing Production Advisory Council (HPAC), with a clear message, 'cities need system level infrastructure funding to address housing production challenges at the local level.' Through successive meetings with the Governor's Housing Advisor, Matt Tschabold, the message was equally clear and direct, to deliver more units across the income spectrum, cities need funding support to build and maintain the water, wastewater, stormwater, and in some cases transportation infrastructure to serve new housing units.

The City of Eugene appreciates the efforts of Governor Kotek and her staff, specifically Matt, to bring forward this broad set of proposals within SB 1537. While Eugene still has concerns regarding the Housing Accountability and Production Office, the permit adjustments, and the Revolving Loan Fund provisions of the bill, we believe that Matt's sustained engagement and outreach to cities like Eugene has greatly improved the bill and the relationship between state and local governments.

Eugene is very supportive of the language provided in Section 16, directing Oregon Housing and Community Services to issue grants to eligible recipients for '*a sanitary or drinking water infrastructure project that will primarily support residential housing.*' We emphasize grant funds rather than loans. Access to capital is not an issue for many cities, it is the payment of project costs. Eugene has an exceptional bond rating, but our challenge would be the repayment of the principle of that issued debt. This proposed grant program would leverage the local dollars many cities have to bring infrastructure projects forward in an expedited manner.

Eugene's Crow Road Housing Infrastructure project is one such example of a project that can bring over a thousand housing units into production within the next 24 months, but only with financial assistance from the state (see attached Crow Road Project Overview). You can be confident that there are many similar projects statewide ready for investment. Thank you for considering this testimony and Eugene encourages you to support the Financial Assistance Supporting Housing Production element of the bill as proposed in the -4 amendment.

Sincerely,

Ethan Nelson, Intergovernmental Relations Manager
-submitted electronically-



Crow Road Infrastructure Extension

Filling Eugene's Housing Gap

Community Housing Need

Like many other communities in Oregon and across the nation, Eugene is experiencing a housing crisis. According to the State Department of Land Conservation and Development's study, Eugene leads the state in severely rent burdened households (spends more than 50% of their income on rent) and has one of the highest rates of homelessness in the nation with a monthly number of people who are unhoused (3,628 in 2023). This situation has created a housing crisis in our community, requiring an unprecedented level of investment from state and local governments.

A Rent-Burdened Community

In addition to being a severely rent-burdened community, Eugene's housing prices continue to rise at a rapid rate, due in part to low vacancy rates. These factors combined with lower-than-average wages create a dynamic that leaves people struggling to find housing that meets their basic needs. According to the 2022 DLCD study, Eugene will need to produce an average of 1,200 housing units per year to support Eugene's expected population growth and address the existing shortage of housing. To increase housing affordability and supply, the City has identified priority areas within the urban growth boundary where city infrastructure investment could boost development, including the Crow Road area. This project area is within the Eugene UGB but is not served with urban services such as wastewater, piped stormwater, water (provided by EWEB), and roadway safety amenities. The City has a project that is partially funded and being designed to extend wastewater to this area. The City is looking for additional funding to support the extension of wastewater, water, stormwater, and transportation safety improvements to better serve residential development.

City	% Severely Rent Burdened	Population
<i>Eugene</i>	31%	175,626
Medford	29%	87,353
Tigard	27%	55,854
Salem	26%	177,694
Portland	25%	658,773
Bend	25%	100,922
Springfield	24%	62,352

A Hayden Homes housing development in Eugene.





The Need

Through careful planning and investments, the area could bring an additional, much-needed 1,260 housing units and more than 850 jobs to the region.

The area of West 11th Avenue and Crow Road in west Eugene is full of opportunities to help the community meet its housing needs while also increasing employment opportunities. Nestled at the edge of Eugene's urban growth boundary, the Crow Road area has the potential to be a complete neighborhood. The area is largely undeveloped and is planned and zoned for single- and multi-family housing, and commercial, with access to natural areas, transportation networks, goods and services, and is 1-1.5 miles from a frequent transit station. (For more details, see the map on the back page.)

To achieve this opportunity and boost development potential, the City of Eugene must extend critical infrastructure to support the area. The proposed project would deliver new wastewater service to West 11th, Crow Road and adjacent areas, as well as widen Crow Road to support walking and biking, and install facilities to extend potable water. To reduce financial barriers in this area, the City is also requesting funding to support storm water infrastructure to expedite affordable housing production.





The Funding

The City has currently budgeted \$2.2 million in a mix of Wastewater System Development Charges and property owner assessments to pay for the wastewater extension. To complete all the utilities as described above, the total project cost is estimated to be \$8.5 million. This figure may be scaled, as some of the facilities such as stormwater may be part of a future phase. The City is requesting \$6.3 million to fully fund this project.

The Timeline

Given the urgency of the housing situation in Eugene, the estimated timeline to complete the infrastructure project would be no later than two years after receiving grant funds. The project is partially funded in the current capital improvement program for construction in 2024/2025. With full funding, this project could be completed within the two year timeline. Furthermore, by investing in these improvements, this area will become significantly more attractive for developers.

The Project by the Numbers

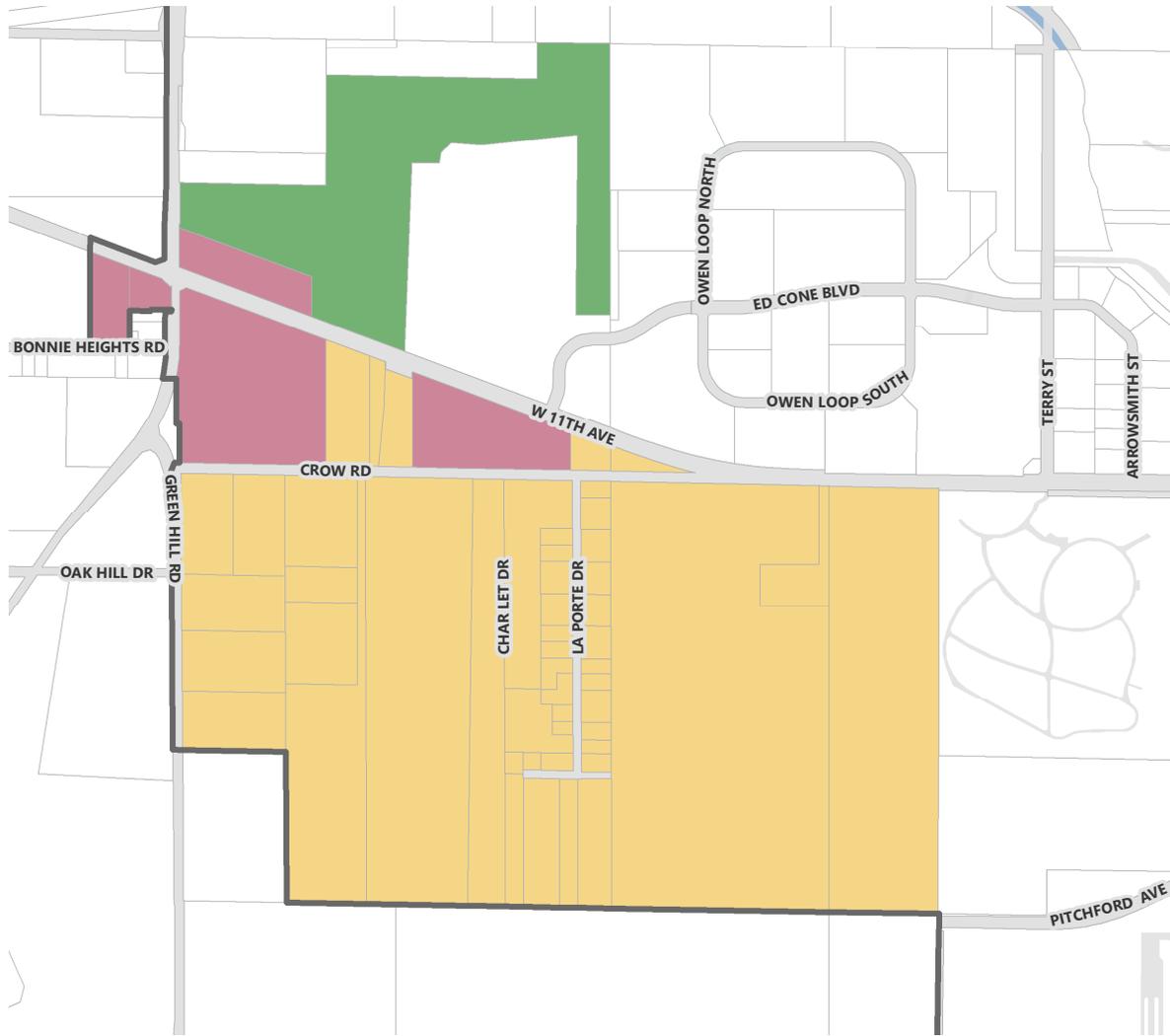
	Local	State	Total
Wastewater	\$2,000,000	\$900,000	\$2,900,000
Water		\$2,200,000	\$2,200,000
Stormwater		\$2,200,000	\$2,200,000
Transportation	\$200,000	\$900,000	\$1,100,000
TOTAL	\$2,200,000	\$6,300,000	\$8,500,000

Project cost estimate as of Jan. 1, 2024, includes all design, permitting, construction and contingency estimated expenses.

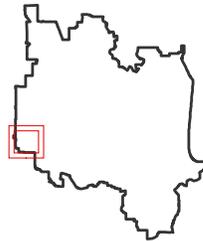


The Bailey at Amazon Creek Apartments in Eugene.

Crow Road Investment Area



- Properties to be served Eugene UGB
- General land use Taxlots
- Commercial
- Parks and Open Space
- Residential



Caution: This map is based on imprecise source data, subject to change, and for general reference only.

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by City of Eugene Planning Division



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