



May 10, 2025

Joint Committee on Ways & Means
Subcommittee on Capital Construction
State Capitol
Salem, OR

Re: SB 5531, Sections 14, 15 - Infrastructure for housing

1000 Friends of Oregon **supports** SB 5531, Sections 14 and 15, which fund “key community infrastructure investments including transportation, water, wastewater and stormwater infrastructure that will result in affordable housing for households with very low, low or moderate income.”

1000 Friends of Oregon has long participated in ensuring the full implementation of Goal 10, the statewide land use planning goal that sets the housing objectives for our towns and cities to reach in their land use planning: diverse, affordable housing choices for all Oregonians in every neighborhood.

However, achieving the goal of housing for all in every community requires more than land use planning - it also requires infrastructure to actually produce the homes, and the state has a key role in this. SB 5531 contains \$100 million for the Housing Infrastructure Fund, allowing the implementation of HB 3031A, which passed the House Committee on Housing and Homelessness unanimously. This housing infrastructure financing program may provide grants, loans, or forgivable loans to cities to support specific housing developments with funding for transportation, water, wastewater, or stormwater infrastructure, or site development.

To be eligible for financing under HB 3031A, the residential development – whether affordable or market rate – must meet certain density requirements. To be eligible for a grant or forgivable loan, the project must also meet certain affordability criteria. The bill defines eligible housing as affordable to those with incomes ranging from the very low to moderate income levels, which is up to 120% of area median income (AMI). We urge your support of SB 5531, Sections 14 and 15, for the following reasons:

First, the funding will enable a significant amount of affordable and market rate housing to be produced quickly:

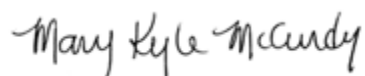
- Housing needs analyses developed by cities across Oregon show that today there are tens of thousands of acres inside UGBs, intended for residential development, including in large parcels, but infrastructure funding is needed to enable the homes to actually be built.
- 1000 Friends, in conjunction with Housing Oregon, conducted a survey of housing developers. This revealed that, even among just the 20+ developers who responded, over 10,000 homes could start being built now, and over half of those homes would be for those with incomes below the area median income.
- Data from Oregon Housing & Community Services shows more than 100 affordable housing projects in the approval pipeline, across the state, where these investments could start producing many units of affordable housing in short order.

Second, the bill ensures that public dollars will be spent to meet broad community needs for both affordable housing and market rate housing.

- Grants and forgivable loans are available only for projects that meet certain affordability criteria – which is appropriate because that reflects the state’s largest unmet housing need. State data shows that almost half the housing Oregon needs is for those earning at or below 80% AMI.
- Whether market rate or affordable housing, the density minimums ensure that valuable public dollars go far to fund infrastructure for many homes. And the required density levels are realistic – they are the same as those required by last session’s SB 1537, and they are in-line with densities most cities already provide for, in all regions of the state.

We urge you to support SB 5531, Sections 14 and 15. Thank you for considering our comments.

Sincerely,



Associate Director