

Senate Bill 1537:

Addressing Oregon's Housing Supply and Affordability Crisis

Background

Decades of underbuilding have left Oregon with a severe housing shortage that is driving up rents, home prices, and worsening our homelessness crisis. The state is currently behind by 140,000 housing units and needs to produce over 440,000 units in the next 20 years to keep pace with demand.

Furthermore, too many Oregonians can't afford to live where they work, and employers are losing potential hires who cannot find an affordable place to live. Oregonians are being forced to leave their communities and some are leaving the state entirely. To address this critical economic and livability issue impacting all Oregon communities, the state must dramatically increase production of housing units—up to 80% over current construction trends—to get Oregon on track to meet its future need. SB 1537 is a first step.

Below is a summary of key provisions in SB 1537, which was developed following months of stakeholder outreach to hear from local communities, climate organizations, homebuilders, and others on what tools are needed to address the ongoing housing crisis.

Housing Accountability and Production Office (HAPO)

HAPO will provide cities and housing developers with a number of tools to streamline the development process. For example, the office will produce ready build plans and model codes to expedite development. The office will also ensure that the state's housing laws are being followed by offering a voluntary process for the people who are doing the hard work of building needed housing to address complaints, concerns, and issues from local governments and developers about compliance with state housing law.

Funding for Housing Production Tools

SB 1537 includes a \$500 million investment package from existing state resources requested by Governor Tina Kotek to unlock more housing production by providing funding to build core infrastructure like water and sewer to support new housing development, and funding to moderate-income housing.

Land Supply

SB 1537 establishes a one-time Urban Growth Boundary (UGB) tool for cities that have a need for both land and affordable housing, and requires that 30% of all the homes are affordable. While this tool does allow expedited and limited expansions for cities that have a need, it also has a series of requirements to ensure that expansion areas are the type of communities that Oregonians want: complete communities with diverse housing choices, a mix of densities, stores and restaurants, parks and open space, walking and biking infrastructure, affordable homeownership opportunities, and more. Land cannot be high-value farm or forest land outside of urban reserves already designated for future urban development and is capped at no more than 75 or 150 acres, depending on city population. The tool is designed to ensure that as Oregon communities grow, they can accommodate urgently needed affordable and middle housing production, while also retaining the state's natural beauty and diverse neighborhoods.

Housing Affordability

Within any expansion areas, 30% of all housing units must be legally restricted for affordable housing. This affordability requirement in Oregon would be one of the strongest requirements in the United States.

Climate-Friendly Homes

Resources for new affordable housing construction to incorporate energy-efficient design, reduce energy costs for low-income residents, and stabilize operational costs for owners. These incentives will help reduce the energy burden for low-income Oregonians across the state.

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