

March 19, 2025

Senate Committee on Housing and Development  
900 Court Street NE, HR E  
Salem, OR 97301  
RE: SB 974-1 Land Use Application Timeline Requirements

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

Thank you for the opportunity to provide feedback on SB 974 and the -1 amendments. The City of Portland recognizes the urgent need to build more housing, quickly, across the entire state, and that ensuring permits get processed promptly is an important step in achieving the housing goals we need to strive towards. We also realize that a long permitting process can be costly and frustrating for applicants.

It is this commitment to improve our permitting process that has driven several key changes over the last couple of years, and that motivates us to continue to identify new opportunities. The most notable recent change being our action to centralize our permitting process into a single bureau – Portland Permitting and Development – with the goal to offer smoother and quicker permitting processing for applicants.

There are many other efforts currently underway, including work to cleanup our various development codes which add to the complexity of permit reviews and to enhance technology-based solutions for permitting customers. Notably, the Mayor recently committed to working with the Governor to improve permitting related to housing and we expect those conversations, which include key stakeholders from the development community, to lead to additional reforms.

As we continue to work internally to improve our processes, we want to also continue to be involved with permitting conversations with the state legislature.

To that end, we have analyzed SB 974 and the -1 amendments to see if the bill would help us approve permits more quickly and efficiently. Unfortunately, as currently drafted in the -1 amendments we have serious concerns about the bill and worry it would have the opposite effect of its important goal and lead to slower permitting of projects. Below is our technical analysis of the bill and where we see areas of concern:

- Section 2(1)(c) - This isn't an effective strategy for housing production as it is geared toward individual single family dwellings. 45 days for a land use review for development of a single family dwelling does not provide sufficient time for required public comment periods and local appeals. Suggest ad amendment that this

instead be coupled with the existing 100 day requirement for affordable housing. However, it should be noted that Single-family dwellings have a path to approval through clear and objective standards (no land use review). This provides for a faster review process and is utilized by most new homes. Single family homes going through a land use review in Portland is due to them not meeting standards and requesting to deviate from standards, such as Environmental Reviews.

- Section 8(21) The definition of urban housing application needs clarification. It has overlap with the definition of limited land use decision.
- Section 8(21)(c) – currently final plats are not a land use decision or are appealable. Including them in this definition reverses that and adds process and an appeal path. Its unclear how this improves or speeds up the process.
- Section 8(21) (D) - appears to bring in public works permits as a land use action with possible appeal paths. It's unclear how including this technical engineering review improves or speeds up the process. Since these permits are for construction of infrastructure that would eventually be owned by the City it needs to remain under the City Engineer's authority.
- Section 11:
  - This draft amendment language will create unintended consequences that run counter to the stated goals of the bill, especially if the 120-day limit includes all the time when engineering plans are with the applicant's team (e.g. to make required corrections).
  - A 120-day timeline for public works permits may be impossible to meet for large, complex projects; engineering review can require multiple iterations between the City and the applicant's engineer.
  - Because the city ultimately takes long-term ownership of the public infrastructure built by developers, and we have a central responsibility to protect human health and safety, the 120-day timeline will lead to more rejections of permits, not faster approvals. Under this framework, the City will need to prioritize rejecting permits over being forced to take ownership of sub-standard or unsafe infrastructure. It places all the accountability and risk on the city while putting none on the developers.
  - It should not be assumed that taking more time is always a negative for applicants; having more than 120 days can help applicants achieve fully permissible plans by giving them adequate time to make corrections, versus

face rejection. Arbitrarily shutting that process down is counter-productive to a collaborative permitting process, and will be more frustrating than helpful for applicants who will be forced to resubmit new permit applications and pay new fees when they were simply progressing more slowly through the process.

- Section 12/13(5) - We do not support elimination of design review. Current Portland code does not require Design Review for projects with 1-4 housing units. Additionally, for larger housing projects Portland code provides the option to review these under a Type I process with the decision being made by staff and no local appeal. For projects outside of the Central City Plan District, there is also a path using design standards rather than discretionary design review. Additionally, not allowing requirements related to landscaping and building orientation could impact regulations intended to reduce urban heat island effects and appropriate placement of buildings in relation to streets and pedestrian areas.
- Section 14 – Limiting plat review to 120 days will result in applications being denied by the city in order to comply with this timeframe, which the applicant may still be working out other permitting requirements for the development. An automatic approval if the deadline is missed, would mean that proper easements and conditions of approval not being met, which would impact later development of the site. The City of Portland already has code which require an application to submit information or complete steps in the process within 180 days of receiving comments from the City identifying outstanding requirements to receive final plat approval. The code also requires the final plat to be completed within 3 years of the initial set of city comments identifying outstanding requirements. This provides applicants flexibility in having time to respond to requirements and align the final plat approval with other permitting and steps in the development process.

We hope to continue to work together to find ways to improve permitting across the state, but as you can see there are a lot of portions of the bill that need to be revised and improved. Legislation like this is very important to get right; enacting bills that impact permitting that are not properly vetted and drafted with precision will cause delays to local jurisdictions issuing permits. Additionally, communities around the state are already working to implement changes to improve their permitting processes like our efforts in Portland and need time to see how recent changes are impacting the permitting process.

Given the complex nature of this proposal and the challenges with getting it right in the middle of session we are Opposed to this bill moving forward and would urge the committee to table this proposal and allow jurisdictional partners to highlight efforts they

have undertaken to improve permitting and see how the process looks as other state requirements and local efforts are rolled out. The City of Portland is committed to working to build more housing in our community and being a partner to help meet the housing goals across the state, but SB 974 and the -1 amendments may hinder and not help our efforts to accomplish these goals. Thank you for your attention to this important issue and for the opportunity to share our feedback.

Sincerely,

A handwritten signature in blue ink that reads "DAVID KUHNHAUSEN".

David Kuhnhausen  
Interim Director Portland Permitting and Development