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February 7, 2023

Rep. Maxine Dexter, Chair, and Members
House Committee on Housing and Homelessness
State Capitol
Salem, OR

Re: HB 2889 – Oregon Housing Needs Analysis (OHNA)

Dear Chair Dexter and Committee Members:

Thank you for the opportunity to testify today in support of HB 2889, the Oregon Housing Needs Analysis (OHNA) legislation. 1000 Friends of Oregon is a nonprofit, membership organization that works with Oregonians to support livable urban and rural communities; protect family farms, forests and natural areas; and provide transportation and housing choice.

1000 Friends of Oregon has long been involved in advocating for the full implementation of Goal 10, the statewide land use planning goal that sets the Housing objectives for our cities to reach in their land use planning:

“To provide for the housing needs of citizens of the state. Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.”

That language was adopted in 1975 and is still the benchmark we should be striving towards today – housing for all, in every neighborhood. But we have fallen short. Goal 10 has not been robustly implemented at the local level or funded and enforced at the state level for decades.

Approximately 70% of Oregon’s residential lands are zoned for detached single dwellings, and therefore that is most of our housing stock – as a category the most expensive, land extensive, and often the largest housing. And it has been that way for over 40 years, often reflecting racially and economically exclusionary zoning put in place decades ago.

In addition, we have seen the accretion of processes, conditions, and requirements at the local level and, while some are necessary, not all are, and they have hindered and made more expensive housing and housing production.

The result is that Oregon has a structural mismatch between local zoning and development practices, and changing family sizes, incomes, and needs, resulting in a supply that is not meeting Oregonians' housing needs at different stages of life, income levels, and walks of life.

Local zoning and other land use tools have not been revised to meet the needs of Oregonians, the state has not adequately enforced Goal 10 or been given all the tools it needs, and we have collectively failed to invest in the housing – and the infrastructure to make the land development ready – that we need.

HB 2889 – the Oregon Housing Needs Analysis – is a long overdue overhaul of the way the state and cities plan for and ensure housing production, so that every Oregonian has the opportunity for an affordable housing choice in every community.

The OHNA process provides an effective pathway out of the housing situation we are in and, most importantly, a way to ensure we will not cycle back into it.

- OHNA starts by figuring out what housing is needed. The OHNA methodology assesses total housing need, and by income category, at the state and local levels. (Sections 3 and 4)
- The OHNA method then ensures that it is pretty easy to build that needed housing: Under the OHNA process, cities over 10,000 in population must adopt – and implement - a set of Housing Production Strategies (HPS) that are designed to meet the housing needs of *their city*. The Department of Land Conservation & Development (DLCD) has adopted over 100 HPS strategies that were developed through crowd-sourcing with cities, market rate and affordable housing developers, housing advocates, and others, or a city can devise additional tools. Under OHNA, DLCD would continue to provide technical assistance, model codes, best practices, and other tools that cities need so housing can be built.

OHNA focuses on housing *production*.

The OHNA recognizes that simply changing zoning to enable more housing is not sufficient; it must be paired with monitoring production; integrating other planning and investments, such as for infrastructure; coordinating with other agencies; cleaning out burdensome local processes and requirements that do not reflect public policy; and providing streamlined analyses for local governments.

- A dashboard will be created for each city over 10,000 in population, showing its housing production target and its progress towards both subsidized affordable and total housing production. (Sections 2(1) and 5(1)-(3))
- Cities over 10,000 in population must adopt a Housing Production Strategy (HPS) that is tailored to meet the specific housing gaps in that city, as identified by the OHNA methodology. And while each city's overall housing need is re-evaluated every eight

years (six years for Metro area cities), its annual progress is monitored through the dashboard. And, a formal check-in and possible re-tooling of its HPS is required at the midway point. (Sections 15-20)

- DLCD will continue to develop best practices, model ordinances, and other tools, and provide technical assistance, to cities.
- HB 2889 directs LCDC to adopt rules providing clarity and certainty regarding the level of analysis and process required in evaluating urban growth boundary (UGB) expansions, boundary exchanges, and urban reserve designation. For smaller cities, DLCD would undertake the analysis. (Section 10)
- HB 2889 identifies the need for other agencies to be partners in delivering needed housing. (Section 10(3)) We recommend that the legislature strengthen what is now a requirement for *consultation* between DLCD and ODOT, Business Oregon, and other agencies. These other agencies should be encouraged or directed to align their policies and investments with the implementation of a city's HPS. Examples include infrastructure investments; planning for and building sidewalks and bikeways for affordable transportation options; revising building codes to facilitate conversion of single family houses or commercial buildings to multi-unit housing; directing affordable housing funding to high opportunity neighborhoods; and more.

HB 2889 is focused on delivering affordable, fair, and equitable housing choices for all.

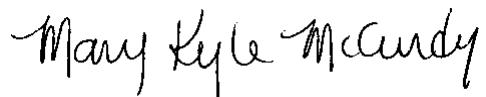
- HB 2889 requires that the Housing and Community Services Department (OHCS) produce an “equity indicator” for cities over 10,000, which will be publicly available and regularly updated. The equity indicator must include data, to the extent it is available, on housing outcomes (such as cost burden, tenure, and housing condition based on race, ethnicity, disability, English proficiency, and age); accessibility and visitability of existing and new housing; segregation by race and income; risk of gentrification and displacement; and others as appropriate. (Section 6)
- Each HPS must address that the fact that housing *location* matters, for affordability, opportunity, and overall life outcomes. (e.g., Section 21(2)(a),(c): “[A city’s HPS] shall undertake to promote...Housing with access to economic opportunities, services and amenities....”)
- Each HPS shall include strategies to replace patterns of segregation based on race and income. (Section 21(d)).
- Each HPS must address the need for housing that is physically accessible and affordable. (Section 21(2)(b).

There is a lot of consensus around HB 2889. It needs some technical fixes and clarifications to make sure that DLCD has the authority and tools to fully implement the OHNA and to see that the Housing Production Strategies are implemented. And, we are working with diverse interests on additional provisions concerning accountability for both the state and local governments, so housing is actually produced.

The land use planning program alone will not solve today's housing crisis – as you have heard, we need funding for infrastructure and to subsidize the housing to meet the needs of those at certain income levels, among other things - but it *can* ensure we do not fall into this cycle again, and that Oregon lives up to the promise of Goal 10.

Thank you for consideration of our comments.

Sincerely,

A handwritten signature in black ink that reads "Mary Kyle McCurdy". The signature is fluid and cursive, with "Mary" and "Kyle" connected by a single stroke.

Mary Kyle McCurdy
Deputy Director

