



February 9, 2024

Senate Committee on Housing and Development
900 Court St. NE
Salem, OR 97301

RE: SB 1537-4 Governor Kotek 's Housing Package

Dear Chair Jama, Vice Chairs and Members of the Committee,

I only today learned of the hearing yesterday and the impending deadline for comments, so I am submitting my own comments without having had the opportunity to consult with the full Milwaukie City Council. I apologize in advance for any spelling or grammatical errors as I rush to submit these comments.

The present bill is a great improvement over H.B. 3414, and I appreciate the work of the Governor's housing team in meeting with cities over the fall. I also applaud former Rep. Maxine Dexter for the very important work she did last fall pulling together a working group to address housing production issues in urban unincorporated areas. Few in the legislature appreciate the fact that over 30%, and perhaps as much as 40%, of the population of urban Clackamas and Washington counties live outside of cities, in urban unincorporated areas. Much remains to be done to ensure that urban unincorporated areas are sufficiently participating in housing production efforts, but Dexter's bill, HB 4063, is a good first step.

I do have a few remaining concerns with SB 1537, particularly with sections 37-43, as I outline below.

- 1) Allowance for UBG expansions: I currently serve on Metro's Urban Growth Report Roundtable, which has been a very eye-opening experience. In this cycle, only one city within Metro, the City of Sherwood, is seeking to expand the UGB. The remaining cities clearly concluded that they have more developable land within the UGB than they can accommodate via planning and development in the coming decade. Thus, it seems clear that an allowance for bypassing the traditional UGB expansion process is NOT needed for cities within Metro. I am less sure, however, about the needs of cities outside the Metro boundary and to what extent the UGB expansion process is overly burdensome for small cities with very few planning staff. Perhaps the ability to do a single streamlined *modest* UGB expansions makes



CITY OF MILWAUKIE

sense for smaller cities outside of Metro, but it should not apply to cities within Metro or to Oregon's other largest cities.

- 2) Creation of the Housing Accountability and Production Office (HAPO): Cities have been buffeted by a rash of mandates, some from the legislature and administered by DCLD, others resulting from executive action, such as the Climate Friendly and Equitable Communities rulemaking. These mandates are not always consistent, and they have come in quick succession so that cities have been unable to assess the success of the first (such as the HB 2001 middle housing requirements) before they are having to be modified. Thus, I concur with the views of the League of Oregon Cities (LOC) when it comes to the HAPO:

"[T]he LOC is still hoping to see clear communication from DLCD on how the HAPO is intended to operate, as the statutory framework does not provide a clear picture. Additionally, DLCD should commit to partnering with city and development experts in both the design and through implementation, to ensure the HAPO does not create additional bureaucratic delay, cost, or uncertainty for both local government and developers in Oregon's already challenging development environment."

- 3) Sections 37-43 – Housing Land Use Adjustments: These heavy-handed provisions allow developers to bypass ("adjust") up to ten city code requirements merely upon the statement (and absent any actual showing) of meeting the criteria. Milwaukie has denied one single land use application in the past decade, due to floodplain issues on the parcel in question. Nothing about the proposed adjustments would produce any more housing, any faster, than happens currently, but they merely take away our ability to provide for compatibility with neighborhood development patterns (setbacks, etc.). As noted by LOC in their comments:

"[C]ities rely on siting and design standards to meet other important local housing needs, including the ability to ensure walkable, climate friendly development, pedestrian safety and connectivity, etc. that this bill would allow developers to override with no public benefit in return. Nothing in this proposal ensures that any resulting adjustments would actually create more housing units than without or make housing more affordable. Cities would be more inclined to support restrictions on local tools if there was a public benefit gained in return."



CITY OF MILWAUKIE

Make no mistake -- as drafted, these provisions will allow developers to run roughshod over local standards to build high cost single-family homes – nothing about these provisions require that the housing be more affordable. I would not object to these provisions applying to affordable housing development, but as written they are significantly overreaching and unproductive. Please amend to limit them to apply only in the case of affordable housing.

Thank you for your time and consideration of these important issues.

Lisa M. Batey
Mayor