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March 7, 2025

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

Re: Support for SB 49 -1

Chair Pham, Vice Chair Anderson, Members of the Committee:

Oregon Smart Growth (OSG) is a coalition of responsible developers, investors and allied professionals committed to the feasible development of walkable, livable communities that are environmentally, socially, and economically sustainable for Oregon's future.

We are writing to you today in support of SB 49. In particular, we support three key aspects of SB 49:

First, we support the inclusionary zoning (IZ) reforms contained in the bill.

Best practices include regular analysis and calibration of inclusionary housing programs. It also requires that the affordability requirements in inclusionary housing programs be fully funded, making it more likely that affordable housing projects pencil.

A significant number of our members are developers working with the inclusionary housing program in Portland. OSG had to advocate for several years to get the City of Portland to complete a long-promised analysis and recalibration of its Inclusionary Housing program. Once Portland's City Council adopted updated policies as a result of this study, to better offset the affordability requirements, participation in the city's inclusionary housing program increased.

When IZ programs aren't fully funded, projects too often don't pencil and don't happen - further exacerbating our housing supply crisis. Or, we see more projects just under the threshold - aka, Portland's pre-recalibration trend of 19-unit buildings, which underutilized zoned capacity and are an unfortunate missed opportunity.

SB 49 holds cities accountable to do these studies and adjust their inclusionary housing program to fully fund the affordability requirements. These are critical elements of any successful inclusionary housing program.

We would prefer a shorter analysis cycle than six years; Portland's first analysis happened at the six year mark, and OSG would argue it was at least two years overdue—which means Portland saw less IZ units created while the program was underfunded. However, if a six year cycle is what ends up in SB 49, we would hope that cities would proactively launch an analysis sooner if IZ applications slow down, or there are other indicators that a city's program is out of balance.

Second, we support the adjustment to the discretionary design review process for historic districts, ensuring that discretionary design review does not force residential density below council-approved zoning.

Too often, we have seen projects that would create critically needed housing cut back in scale following review by Portland's Historic Landmarks Commission. However, Portland's Design Review Commission doesn't have the same power. The change proposed in SB 49 would apply the same standards to all review bodies, and protect the zoned density and height of proposed projects – maximizing housing potential.

Third, we support including professionals with experience in multifamily residential design as a required member of the Building Codes Structures Board.

SB 49 will help Oregon make progress in resolving our statewide housing crisis.

Thank you for your consideration.

Sincerely,



Amy Ruiz
Advocacy Director
Oregon Smart Growth