



HOUSING ALLIANCE

March 4, 2021

Senate Committee on Housing and Development
Oregon State Legislature
900 Court Street NE
Salem, OR 97301

Dear Chair Jama, Vice-Chair Linthicum, Members of the Committee:

I am writing to you today on behalf of the Oregon Housing Alliance to urge your support of Senate Bill 8, which would make it easier to build affordable housing through several changes to land use requirements.

The Oregon Housing Alliance is a coalition of ninety organizations from all parts of the state, including affordable housing developers, residents of affordable housing, local jurisdictions, and organizations working to meet basic needs in every corner of our state.

We believe that all Oregonians need a safe, stable, and affordable place to call home.

Prior to the COVID-19 pandemic, we knew that already, too many seniors, families, and people who experience disabilities were paying too much of their income towards rent, and were experiencing other forms of housing instability. One in four renters in Oregon pay more than 50% of their income towards rent, leaving very little left over for basics like food, medicine, and transportation costs.

Across Oregon, we simply do not have enough affordable and available homes for every household who needs one. For many decades, though, organizations across Oregon, affordable housing developers and public housing authorities have been building affordable housing for decades, and are experts at this work. Their work is complex, and begins with identifying potential locations, needs, and resources. These affordable rental homes or homes for purchase receive public funds, and in exchange, follow strict rules about the incomes of people who qualify for the housing, how much can be charged, and how long the property must remain affordable.

Prior to a development being constructed, developers have essentially solved a complex math problem, pulling together grants, loans, and other sources of funding to purchase land, construct a building, and pay for its ongoing operations with the restricted rents that are paid by the people who will ultimately live in the building.

In addition, affordable housing developers across Oregon are working hard to identify land that is suitable to build safe, stable, and affordable homes on. In order to compete for funding, they try to identify land that is close to grocery stores, transit, schools, or other community assets like parks or libraries. In many communities, land that is suitable for affordable housing and is available for purchase is in short supply.

Once land has been identified, developers must then go through the complex work to undergo land use and building permitting processes at the local level. After securing a site, and during the development process, affordable housing developers often engage in many months of public input and process prior to developing a building. They engage neighbors in the design process in hopes that the building and the people who will call it home will be welcomed into the neighborhood. In addition, their local city or county may have a public process related to zoning for the building, and funding sources they apply for often have separate public process requirements.

Affordable housing developers face barriers such as a lack of land that is available, affordable, and zoned appropriately. In addition, local rules may artificially limit the number of homes an affordable housing provider can build. Even when sites are zoned appropriately, there may unfortunately be concerns expressed or challenges filed by local neighbors that have little to do with the proposals themselves. These neighbors may be motivated by concerns over living near affordable housing and misconceptions about who lives in affordable housing or who simply want density to be limited, use zoning and design arguments to increase the difficulty of siting much needed affordable housing.

Senate Bill 8 considers the important work done by the Legislature over the last five years to remove barriers to affordable housing development, considers the circumstances that continue to limit affordable housing development, and takes meaningful but measured steps forward in three areas:

- Senate Bill 8 allows affordable housing in land that is zoned for commercial, land owned by public entities, and land owned by non-profit religious institutions. SB 1051 (2017)¹ and HB 2003 (2019)² took steps in this direction, and this bill would take one step further by allowing affordable housing in these zones. A local jurisdiction would not be allowed to conduct a rezone process for the development, but would be allowed to impose requirements upon design and building permits.
- Senate Bill 8 includes a statewide density bonus for affordable housing. Today, some jurisdictions may artificially limit the density of a site, thereby limiting affordable housing that can be built. In a time of crisis, affordable housing developers should be allowed to maximize their impact on the land they have access to. The density bonus proposed in Senate Bill 8 would impact both the number of units that could be built in a development as well as the height of the building, and scale the density bonus to the density of the surrounding area.
- Lastly, Senate Bill 8 expands on the protections approved previously (also through SB 8, 2019³) to provide attorneys' fees when an affordable housing development is challenged to the Land Use Board of Appeals (LUBA) and the project prevails. The bill expands the circumstances in which a project may be eligible for attorney's fees by allowing projects which are still waiting to secure funding to build affordable housing, and expands when a development can qualify for these protections from only when decisions are affirmed, to include now when decisions are reversed in favor of the affordable housing development.

The definitions in Senate Bill 8 provide that these steps all affect buildings that are completely regulated affordable housing, meaning they are built most often with public dollars and are subject to lengthy use restrictions – most often for a minimum of sixty years.

¹ <https://olis.oregonlegislature.gov/liz/2017R1/Measures/Overview/SB1051>

² <https://olis.oregonlegislature.gov/liz/2019R1/Measures/Overview/HB2003>

³ <https://olis.oregonlegislature.gov/liz/2019R1/Measures/Overview/SB8>

In recent years, Oregon's Office of Economic Analysis⁴ and EcoNorthwest have conducted significant research into the housing crisis faced by all parts of our state, and the need for more housing units of all types to be built. One factor identified was the underbuilding of housing during the Great Recession. A 2018 report, "*Housing Underproduction in Oregon*"⁵, identified a need for developers in Oregon to build 30,000 units of housing every year to meet the need, and to correct for this previous underbuilding.

The significant limiting factor for the development of affordable housing is available funding. Most affordable housing built in Oregon today is built with a complex combination of grants, loans, and tax credits, and local, state and federal dollars. In the four-year period of 2017-2020, Oregon Housing and Community Services, Oregon's housing finance agency, funded just over six thousand new units⁶. In the two-year period of 2019-2020, the Legislature committed \$200 million in general obligation bonds to build new affordable housing, Oregon Housing and Community Services funded 3,800 new units in 23 counties and 36 cities⁷.

Affordable housing is unique. It is often difficult to finance due to complex funding sources and timelines for those funding sources. It can be difficult to build due to complexities with siting, zoning, local processes, and more. This bill would seek to ease some of those restrictions in thoughtful and measured ways.

Section 2, subsections (4) and (5) of the bill are related to provisions for attorneys' fees when affordable housing developments are challenged to the Land Use Board of Appeals, or LUBA. These provisions are included with the hope that they might discourage complaints to LUBA that are simply based on not wanting to live next to affordable housing, and individuals who are appealing in hopes that the project will lose its funding or won't have needed resources to see it through to that point.

The action which this bill will impact, an appeal to LUBA, is a final step in a long public input process – neighbors to the site have most likely had a significant number of public input opportunities, and affordable housing developers have gone through a process to try to gather input and secure support from the neighbors. There are many opportunities for public input, and any real concerns that aren't simply about living next door to affordable housing have had ample opportunity to be raised during public input processes prior to a decision being appealed to LUBA.

We cannot let the additional costs of delay tactics to be added to the cost of the homes our communities need.

Everyone needs access to safe, stable, and affordable housing— parents trying to provide a better life for our children, seniors who have helped to build our communities, people who experience disabilities, and people working low wage jobs who need assistance in the face of rising housing costs. Affordable housing is an important part of our community infrastructure, and the people who call these apartments home are vital members of our community.

⁴ [https://oregneconomicanalysis.com/category/housing/](https://oregoneconomicanalysis.com/category/housing/)

⁵ <https://www.upforgrowth.org/sites/default/files/2018-10/UFGHousingUnderproductionInOregon.pdf>

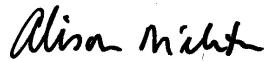
⁶ <https://www.oregon.gov/ohcs/development/Documents/applicants-recipients/OHCS-Aff-Hsg-List.xlsm>

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Affordable housing developments face numerous funding restrictions and challenges. We should ease the way forward for affordable housing development for the people with the lowest incomes in our communities by taking the measured steps forward in this bill.

We urge your support of Senate Bill 8.

Sincerely,



Alison McIntosh
On Behalf of the Oregon Housing Alliance

Housing Alliance Members

1000 Friends of Oregon
211info
Aging in the Gorge
Benton Habitat for Humanity
Bienestar
Bradley Angle
BRIDGE Housing
Business for a Better Portland
CASA of Oregon
Central City Concern
Chrisman Development
Church Women United of Lane County
City of Beaverton
City of Eugene
City of Forest Grove
City of Hillsboro
City of Hood River
City of Portland
City of Tigard
Clackamas County
Coalition of Community Health Clinics
Coalition of Housing Advocates
College Housing Northwest
Community Action Partnership of Oregon
Community Action Team
Community Alliance of Tenants
Community Development Partners
Community Housing Fund
Community Partners for Affordable Housing
Community Vision
Cornerstone Community Housing
DevNW
Ecumenical Ministries of Oregon
Enterprise Community Partners
Fair Housing Council of Oregon
Farmworker Housing Development Corp.
FOOD for Lane County
Habitat for Humanity of Oregon
Habitat for Humanity Portland/Metro East
Hacienda CDC
Home Forward
Homes for Good
Housing Authorities of Oregon
Housing Authority of Clackamas County
Housing Development Center
Housing Oregon
Human Solutions
Immigrant & Refugee Community Organization
Impact Northwest
Innovative Housing, Inc.
Interfaith Alliance on Poverty
JOIN
Lane County Health and Human Services
League of Oregon Cities
League of Women Voters of Oregon
Lincoln County
Looking Glass Community Services
Mainstream Housing Inc.
Metro
Mid-Columbia Housing Authority
NAYA Family Center
Neighborhood Partnerships
NeighborImpact
NeighborWorks Umpqua
Network for Oregon Affordable Housing
Northwest Housing Alternatives
Northwest Pilot Project
Oregon AFSCME Council 75
Oregon Coalition of Christian Voices
Oregon Center for Public Policy
Oregon Coalition on Housing & Homelessness
Oregon Council on Developmental Disabilities
Oregon Food Bank
Our Children Oregon
Partners for a Hunger-Free Oregon
Portland Community Reinvestment Initiatives
Portland Homeless Family Solutions
Portland: Neighbors Welcome
Proud Ground
Raphael House
REACH CDC
Residents Organizing for Change (ROC) Oregon
Rogue Action Center
Rose CDC
St. Francis Shelter
St. Vincent de Paul of Lane County, Inc.
ShelterCare
Sisters Habitat for Humanity
Sponsors, Inc.
SquareOne Villages
Street Roots
Think Real Estate
Transition Projects
Washington County
Welcome Home Coalition