



February 8, 2024

Senator Jama, Chair
Senator Anderson, Vice Chair
Senate Committee on Housing and Development
900 Court St. NE
Salem, OR 97301

Chair Jama, Vice Chair Anderson, members of the Senate Housing and Development Committee.

Thank you for the opportunity to provide feedback on Senate Bill 1537 with the -4 Amendment. Senate Bill 1537-4, if passed, would make significant changes to Oregon's land use system while attempting to address a shortage of housing units identified both through Executive Order 23-04, as well as the 2022 Oregon Housing Needs Analysis Report produced by Oregon's Department of Land Conservation and Development. **The Association of Oregon Counties (AOC) is in support of Senate Bill 1537-4.**

Counties play an important role in housing development and look forward to working with our state and local government partners in the implementation of Senate Bill 1537. **AOC would be remiss if we did not acknowledge the frequent meetings, and opportunities for input with the Governor's Office during the creation of the various components that became Senate Bill 1537. AOC cannot express enough our appreciation for not only having a seat at the table, but to be viewed as a partner in reaching our shared housing production goals.** Senate Bill 1537-4, if passed, has the potential to make significant progress in achieving the housing units identified both in the Housing Needs Analysis referenced above, but also the Governor's Housing Development goals she has set out. AOC and counties across the state are committed to working with the Governor, her team, the Legislature, and various agencies impacted in this bill to achieve the goals and purposes of this legislation.

Sections 1-7: Housing Accountability and Production Office (HAPO)

AOC supports technical assistance for local development needs, particularly the HAPOs effort to coordinate and focus the development of housing across agencies and local governments. AOC also strongly supports the \$10m appropriation found in Section 61 to provide technical assistance opportunities.

Sections 8-9: Opting In To Amended Housing Regulations:

AOC supports the intent of this section. The County Planning Directors were able to provide feedback on the implementability of the original base bill to not only the Governor's Office but also Representative Marsh, and the Department of Land Conservation and Development. We greatly appreciate their willingness to draft the -4 amendment language to ensure what is found in the bill matches the intent sought. With the new language in the -4 amendment, AOC is able to support this section not just in principle but also through implementation if passed.

Sections 10-11: Attorney Fees:

AOC supports this section as it expands the current attorney fees provisions for affordable housing to include local governments. The language found in the -4 amendment clears up the confusion found in the base bill around this section.

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Sections 12-23: Financial Assistance Supporting Housing Production

The Association of Oregon Counties supports the language found in the -4 amendments. Seeing the state take an active role in not only assistance when needed, but also financing the needed water, sewer, storm water and transportation projects can support the creation of new housing and development throughout the state.

In the base bill, as introduced, the funding in these sections would have only been available for specific sites or infrastructure projects. AOC is very appreciative to see the funding eligibility expanded to include more projects and opportunities for growth.

Although portions of these sections pertain specifically to development occurring for cities, the ability for capacity and support going to municipalities for the planning work as well as financing is greatly appreciated. Municipality is defined in ORS 285A to include any Oregon “city, county, Port of Portland, airport district, county service district, and a tribal council of a federally recognized tribe.” Allowing counties the ability to access these planning and financing resources will be crucial in attempting to solve the housing crisis facing Oregon.

Sections 24-36: Housing Project Revolving Loan

Local governments need a range of tools to actively work toward housing development and overcome various barriers around the state. This optional loan program is one more tool in the toolbox. AOC appreciates the changes made in the -4 amendment to ensure that “before adopting this program, the city or county must consult the governing body” of the other. When one jurisdiction offers a property tax exemption for a period of time, other entities that also rely on property tax revenues should know what is happening. Another change in the -4 amendment allows local governments of all sizes to administer this tool if they so desire.

AOC also appreciates the opportunity for the County Assessors and Tax Collectors to be involved in the conversations crafting this language to ensure from a technical standpoint it is implementable. .

Sections 37-43: Housing Land Use Adjustments

Section 38 states that a “*local government shall grant a request for an adjustment in an application to develop housing;*” and “*an application qualifies for an adjustment only if the following conditions are met...*” (Section 38 (2)). One of the conditions listed specifically states the “*development is within an urban growth boundary, not including lands that have not been annexed by a city*” (Section 38 (2)(d)). AOC understands this provision to mean **cities only**. The Governor’s Office has confirmed this should only pertain to cities, however there is still some ambiguity with the term “*local government*” used in section 38. Local government can be defined as either a city or a county.

The Association of Oregon Counties believes further clarity could be provided to the Department of Land Conservation and Development as well as the Land Use Board of Appeals if the term “local government” was replaced with city.

Section 44-48: Limited Land Use Decisions

The Association of Oregon Counties has similar concerns as those raised in Sections 37-43. “*Each local government shall process as a limited land use decision [...] any application for the development of housing within an urban growth boundary [...]*” (Section 45(1)). Counties do not have urban growth boundaries and thus the understanding of these sections is they pertain to cities only. **By replacing the term ‘local government’ with “city” any potential confusion or ambiguity could be resolved.**

Sections 49-60: One Time Site Additions to Urban Growth Boundaries

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The Association of Oregon Counties are in support of this “Fast Track Urban Growth Boundary” process. In October of 2023, AOC adopted a priority around Community Development going into the 2024 Legislative Session: *Advocate for a fast-track process for limited urban growth boundary expansions that significantly increase affordable and workforce housing in all communities experiencing shortages of buildable land.*

Counties were inadvertently removed from the UGB process in the draft versions of these sections. Through conversations with The Governor’s Office and DLCD, Counties were successful in showing that ORS 195.025(1), DLCD Land Use Goal 14, and OAR 660 Division 23 all would require our involvement. As such, counties were reinserted in the UGB sections in SB 1537. Found in the -4 Amendment, in Section 56, is the addition of language regarding the creation of binding agreements between cities, counties, special districts and others regarding how urban services will be provided to UGB expansions less than 15 acres. This requirement was in the base bill for expansions over 15 acres. AOC is appreciative that the “agreements” language was placed in Section 56 as well and looks forward to working with cities and special districts to finalize these details once Senate Bill 1537-4s UGB process gets under way.

AOC supports a one-time expedited UGB expansion tool for cities to use when their communities need land to meet their housing goals. It is the understanding of AOC that additional conversations are occurring with the League of Oregon Cities to ensure this section works for the cities of Oregon. Once those concerns have been worked out, counties stand ready to play our part in the UGB process.

The Association of Oregon Counties believes these sections achieve our 2024 Legislative Priority and as such are in strong support of the UGB process found in the -4 amendments. We encourage the committee to work with The League of Oregon Cities to address any continued concerns they may have to ensure this process being created can be used when needed.

Thank you,

Branden Pursinger
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