

March 16, 2021

Representative John Lively, Chair
Representative Jami Cate, Vice-Chair
Representative Jason Kropf, Vice-Chair
House Committee On Economic Recovery and Prosperity
Oregon State Legislature
Salem, OR 97301

RE: Testimony from the Oregon Chapter of the American Planning Association in Opposition to HB 3040-1

Dear Chair Lively, Vice-Chairs Cate and Kropf, and Members of the Committee:

The Oregon Chapter of the American Planning Association (OAPA) **supports the study of system development charges to promote affordable housing development but opposes making any specific changes until that study is complete**. OAPA is an independent, statewide, not-for-profit educational organization of more than 800 planners from across the state who work for cities, counties, special districts, state agencies, tribes, community-based organizations, universities, and private firms. We provide leadership in the development of vital communities by advocating excellence in community planning, promoting education and resident empowerment, and providing the tools and support necessary to meet the challenges of growth and change. OAPA supports sustainable communities and works to enhance the quality of life for current and future generations by helping to create and stabilize places that are equitable, healthy, and resilient and provide ongoing economic, environmental, and social benefits.

One of [OAPA's 2021 Legislative Priorities](#) is to "Address the housing crisis;" however, we oppose legislation that would require jurisdictions to cap system development charges (SDCs) or to update/revise their SDC methodologies. OAPA also continues to "Advocate for Oregon's planning program," another Legislative Priority, which includes ensuring communities have the funding and resources they need to support good planning.

For the reasons outlined below, OAPA opposes the – 1 amendment as written. Further study and clarification are needed.

- Section 1 – SDC Study. OAPA supports the study of SDCs, but that study should be allowed more time beyond December 31, 2021. We propose an interim report by December 31, 2021 with a final report by June 30, 2022.
- Any further changes to SDC methodologies **should wait** until the study is completed and there is a more in-depth analysis of both the issues to be addressed and the impact of any proposed solutions.

- Section 3 – Deferral Options. Regarding payment deferral plans as proposed, we offer the following recommendations, observations, and questions:
 - They should be optional for local governments.
 - If the purpose is to promote affordable housing, SDC deferrals should be limited to affordable housing developments (e.g., income-restricted units that should be defined).
 - Single-family deferrals will significantly increase jurisdictions' administrative costs, which could increase housing costs.
 - Who is expected to pay the SDCs if deferred? Is it the home buyer? If so, there likely will be difficulty in collecting SDCs. SDC deferral to the time of Certificate of Occupancy creates administrative difficulties for collection purposes.
- Section 5 – Manufactured housing. If assessing the same fee for manufactured housing as multi-family housing:
 - This provision should be restricted to mobile home parks (not manufactured housing built on a single-family lot).
 - This may result in increased fees that will add to the cost of housing, as some jurisdictions assess SDCs for manufactured housing in mobile home parks at the ADU rate (Washington County and Tualatin Hills Parks & Recreation District are examples of two such jurisdictions).
- Section 6 – Disclosure statements. Subsection (3) is unclear:
 - Is this for every SDC charge a local government would have to publish? If so, this would be untenable. For example, developers come in and pull multiple permits at one time.
 - The methodology and project lists are already publicly available documents.
 - Local jurisdictions' budgets have the list of projects to be paid for by SDCs every year. Jurisdictions do not typically allocate individual payments to certain projects.
- Section 7 – Applicability of amendments. Does this only apply to new SDC fees? What about updated methodologies?

Thank you for your time and attention to our testimony. OAPA recommends that the Committee amend HB 3040-1 to limit the bill to studying SDCs with expanded parameters to address outstanding questions and defer any further legislation until its completion.

Sincerely,



Aaron Ray, AICP, President
Board of Directors



Eunice Kim, AICP, Chair
Legislative and Policy Affairs Committee