



COMMUNITY DEVELOPMENT

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February 6, 2024

Senate Committee on Housing and Development
Oregon State Capital
Salem, OR 97301

Dear Chair and Members of the Committee:

RE: COMMENTS ON SB 1537

We appreciate the Governor's goal to add more needed housing to our inventory and propose funding to support housing development. That said, several provisions in Senate Bill 1537 are unnecessary, not cost-effective, and won't result in more housing units faster or housing that is more affordable and won't serve Oregonians well in the short or long term.

We respectfully request you to amend Senate Bill 1537 to remove Sections 1 through 7; Sections 37-47; and Sections 44-45.

Below are specific comments regarding elements of the bill.

Sections 1 through 7. Housing Accountability and Production Office. Oppose creation of the HAPO

- Albany and many other cities have spent a lot of time and effort over the last several years to comply with new state laws to create clear and objective standards for housing development, allow middle housing, create climate friendly areas, and more. This included extensive modifications to existing code and added flexibility.
- This is a one-way complaint opportunity for applicants – which may result in significant project delay and cost to the city and state to verify whether a complaint is even valid or warranted.
- Unnecessary and duplicative of LCDC's existing authority.
- This office and the complaint process will not result in the development of more housing units or in more needed housing units.
- The funding allocated to the HAPO could go towards infrastructure to support needed housing projects and technical assistance to cities to comply with state laws and mandates.
- The HAPO has the potential to short circuit or bypass the already existing process of city staff working with a developer.

Sections 37 – 47: Housing Land Use Adjustments. **Oppose ten mandatory adjustments.**

- The current language only requires an applicant to “state” rather than demonstrate that they comply with at least one of the eligibility criteria. Section 38(2)(f)
- There is no guarantee these adjustments will result in more housing, reduce processing time, or more affordable housing.
- The adjustments would allow modifications to National Register historic properties that may negatively affect the historic character of a property or district, community identity and Oregon history.
- Most Cities including Albany already have an administrative variance process for minor adjustments to development code regulations.

Sections 44-45. Limited Land Use Decisions. **Unnecessary.**

- All cities are required to have clear and objective standards for residential development, which means that there is a limited land use staff-decision path for all housing development.
- These amendments are unnecessary.

Sections 8-9. Opting In to Amend Housing Regulations (Goal Post rules). **Support** with technical improvement proposed by the League of Oregon Cities. This is our current practice.

Sections 13-23. Financial Assistance for Housing Production. **Support.** More funding should be allocated to this need than proposed.

Sections 24-36. Housing Project Revolving Loans. **Support** at lower funding level until know this tool will be used successfully by cities.

A good concept but may be hard for cities to implement even with OHCS support. How will the affordability of supported dwelling units be enforced? How does OHCS ensure the funds are distributed throughout the state and do not all go to larger cities and not just the first cities that apply? Allocating a lower amount - \$100 million, which would still result in 30,000-40,000 dwellings assuming admin and loans of \$20,000-\$30,000. The difference could be placed towards support for infrastructure needs.

We appreciate the opportunity to provide comments on Senate Bill 1537 in its current configuration.



Matthew Ruettgers
Community Development Director