

March 3, 2025

House Committee on Housing and Homelessness
Oregon State Legislature
900 Court Street NE
Salem, OR 97301

Dear Chair Marsh and members of the Committee,

We appreciate the efforts of the Oregon legislature and Governor Tina Kotek to address our state's significant housing shortage. HB 2138 –1, the Governor's middle housing bill, makes a number of beneficial changes to state housing policy. Yet there are other areas that could be modified to improve clarity and intent.

In regards to single-room occupancy (SRO) units, jurisdictions classify SROs in many ways, and the classification of uses would be difficult to determine with the proposed changes. Allowing detached SROs isn't aligned with the stated goal of allowing higher density SRO units. The site planning, built form, long-term operation, and day-to-day functioning of detached sleeping units with shared eating or sanitary services are fundamentally different than attached sleeping units with shared services. Due to the differing land use considerations and community impacts, we strongly believe it is inappropriate to define detached individual sleeping units with eating or sanitary services as 'single room occupancy'; they are an entirely different residential classification. Property owners with a home could potentially place some permanent small/pod structures on their property to rent out and have the tenants use the main house for a restroom and kitchen. This type of residential use allowed outright in neighborhoods should be considered more thoroughly given the inherent differences in detached SRO units and other forms of housing.

Moreover, SRO typology is particularly vulnerable to poor physical condition, gaps in property management, and is uniquely challenging to design in a trauma-informed manner. In addition, recent local public community engagement has shown that multifamily and regulated housing consumers value adequate physical space. For these reasons, Gresham does not see detached SROs as an appropriate middle housing option for our community.

Gresham is also concerned with the potential allowance of stacked cottage cluster units, with the change to allow attached units. This could significantly add density to a parcel well beyond the intent of middle housing. Stacked clusters could easily transition into multi-family developments, which is not the intent. Perhaps an amendment could specify horizontal attachment as allowed versus vertical. We also ask that the courtyard requirement remain



for cottage clusters, as these can be very flexible, communal spaces, and are a crux of this unique development type.

Gresham would also like to see changes to the requirements around traffic impact analyses, as our City is seeing middle housing production in all subdivisions, including greenfield developments of close to 300 townhomes. Therefore, Gresham supports a reasonable unit limit that would be exempt from traffic impact analysis.

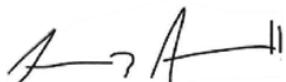
On the positive side, Gresham appreciates the removal of section 11 in the –1 amendment. Section 11 would have disallowed downzoning within an Urban Growth Boundary and essentially taken away local flexibility with zoning. There are many reasons a city may downzone a parcel, and complete elimination of this ability would be detrimental to development.

Lastly, given the large volume of land-use-related bills over the past five years, Gresham has had to dedicate a large portion of planning staff capacity to updating code and applicable procedures and documents. This diversion of staffing resources has meant that Gresham has had to delay a number of planning projects given scarce funding for staffing. This includes delaying a project to review the development code to streamline processes for development.

Overall, HB 2138 makes widespread changes to state housing policy and would require numerous code changes, which would again entail taking a City planner off other projects to ensure compliance with this bill, as well as other potential code updates after Department of Land Conservation and Development rulemaking. Middle housing is incredibly popular with Gresham developers. As mentioned, all subdivisions in the planning pipeline plan to utilize middle housing products, most are exclusively middle housing products. Given that and staff capacity issues, we ask that the legislature consider the totality of the burden being placed on local governments with ever-changing land use laws, rules, and regulations, and how this process can be detrimental to our shared goal of addressing our housing shortage.

Thank you for your leadership and partnership in addressing our housing crisis, and for considering our input on this important bill.

Sincerely,



Travis Stovall
Mayor of Gresham

CITY OF GRESHAM