

February 8, 2024

Senate Committee On Housing and Development

RE: Testimony on SB 1537 - Support with Amendments

Dear Chair Jama, Vice-Chair Anderson and Members of the Committee:

Thank you for this opportunity to provide written testimony on SB 1537. My name is Jonathan Harker. I am a retired city planner having worked for the City of Gresham for nearly the last 30 years of my career. At Gresham my roles included as a development planner, a long range planner, a housing planner, a new communities (UGB expansion area) planner, a comprehensive planning division manager and, at retirement, Gresham's planning director.

In retirement I have been active with the Oregon chapter of the American Planning Association's (OAPA) Legislative Policy Affairs Committee (LPAC). I served on the RAC for the Climate Friendly & Equitable Communities (CFEC) as a representative of OAPA. I do want to be clear that this testimony solely represents my views and is not intended to imply the views of OAPA.

I like to offer a few comments as background my support of the bill and my recommendations for few amendments.

There is a housing crisis in Oregon, and passage of SB 1537 is a critical step for the State to take to increase housing productivity so that Oregonians across the State have affordable housing choices. This housing productivity crisis is not a new one nor is it limited to Oregon. A [study](#) sponsored by the American Planning Association (APA) showed that "No State is immune to housing supply shortage". That study showed that Oregon, in 2021, ranked in the 3rd tier from the top of a 7 tiers for the number of underproduced housing units.

The reasons for the underproduction of housing are complex. The APA 2019 [Housing Policy Guide](#) notes four major factors affecting housing productivity. Two of these factors are addressed in the bill: "**the depletion of developable [e.g. shovel ready] lots**" and "**the impact of land-use regulations and zoning on the density and type of construction**". [The other two factors are a "deficient supply of skilled workers" and "rise in cost of building materials" which are outside the scope of this bill.]

I am appreciative of the work that has gone into the introduced bill since the last session. And I am optimistic that its enactment will be a fruitful step in overcoming the two factors mentioned above.

Addressing housing productivity can't be effectively addressed without considering the impacts of other crisis issues facing Oregonians. These issues include housing affordability, addressing equity and addressing climate change all of which have elements in the bill.

What follows is testimony more specifically related to elements of the bill.

Housing Accountability and Production Office

I am supportive of establishing HAPO as a critical need to coordinate and lead on the State's efforts to address housing productivity. I would like to suggest an amendment to Section 5, Reporting:

(1) Contract with an organization ... with a focus on increasing housing production **with an emphasis on housing affordability and through the lens of equity and climate mitigation and resiliency.**

#### Financial Assistance Supporting Housing Production and Housing Project Revolving Loans

I strongly support these two elements of the bill. They are critical State actions needed to support increasing the number of shovel ready lots.

I am also appreciative of the electrification incentives as a critical need to address climate mitigation and resiliency.

#### Housing Land Use Adjustment

I generally support the concept of this section.

The national American Planning Association is advocating for prioritizing zoning reform stating "with adequate support, zoning reform can increase housing choice, lower housing costs, bolster local economies, address inequities in our communities, and connect people to opportunity".

Its 2019 [Equity In Zoning Policy Guide](#) provides arguments supporting many of the elements included in the list of adjustments such as reforming zoning by increasing density; reducing minimum lot sizes, eliminating minimum building lot coverage, eliminating or relaxing residential property height restriction and eliminating or reducing off-street parking restrictions. It also notes that building form and design standard regulations "

It also expresses "that building form and design standard regulations can have impacts on both development costs and human opportunities, and many of those negative impacts are disproportionately borne by historically disadvantaged and vulnerable communities". It goes on to say that "cities and counties should consider how building form and design standards may increase the cost of building and maintaining properties and create barriers to access".

It is important to note, though, that APA is advocating for local zoning reform. And while APA embraces "state governments should exercise their authority to promote local planning efforts ... to overhaul exclusionary regulatory barriers to housing choice and production" does not contextualize or treat equally local government.

This despite this a do support this section as, hopefully, a start to an effort on local zoning reform that will be refined and informed by model codes and other work of HAPO and DLCD required by this bill. And that the legislature could committee to future direction for DLCD rulemaking for local planning that can accomplish the goals of the section while allowing for some local contextualization.

Additionally I like to suggest an amendment to this section and that would be delete the following language (as found in the -4 amendments):

4) A local government shall grant an adjustment to the following development standards:

~~(b) For an individual development project, the common area, open space or area that must be landscaped on the same lot or parcel as the proposed housing, for a reduction of not more than 25 percent.~~

I am concerned that allowing a reduction in landscaping will negate efforts to address heat island effect. APA's Equity in Zoning Guide promotes ensuring that zoning standards require or incentivize new development and redevelopment to increase the amount of landscaping, open space, and tree canopy in those neighborhoods that currently have less of these site design features as a way of addressing heat islands". Although their may be local governments that require more landscaping than is needed the unintended consequence of reduced landscaping may exasperate rather than mitigate heat island effect.

#### Limited Land Use Decisions

I support this section as action of "streamlining or shortening permitting processes" address housing productivity especially for affordable and equitable housing. The process to issue a development permit for housing should be one that can be decided by city planning staff and not one that requires a hearing or approval by a commission.

#### One-time Site Additions to the Urban Growth Boundaries

Likely many of those who have testified I find this section the most difficult to support. And like many I believe that the State's efforts should be focused on assisting cities and the development community on developing the extensive amount of land that is already in the UGB, has approved (or is the process of getting approved) local community plans and, in many cases, already been annexed. And I am concerned that these one-time additions may compete for infrastructure funding at the expense of these other areas.

In part this is true for me as it has not been clear that the current UGB expansion process doesn't work. I recently attended a meeting (Planner Network) that was put on by OAPA and DLCD. During one of the session's DLCD staff reported that from 2016 to 2023 there were 43 expansions approved by local government and 41 of them were acknowledged and successful. These included Metro, Springfield, Medford, Bend, McMinnville, Central Point, Eugene and Redmond as well as UGB exchanges in Sutherlin, Metro and Dayton.

However, if there is a case for this one-time expansion process than I do appreciate the substantial improvements that have been made to this section over the past year. And I do believe that the additions may limit these expansions to those jurisdictions that have a critical housing need.

Like other folks that have testified I am concerned that the acreage allowances are too large. I am hopeful, as was expressed at the conclusion of today's hearing that on-going discussion will result in an amendment to either eliminate this section or limit the acreage allowances to what is reasonable needed to address certain cities housing needs and, as well, shortens the sunset time period of this section.

I would also suggest also adding an amendment to the bill that requires HAPO and DCLD to do an in-depth study of the current UGB expansion processes to identify those elements that unnecessary add to the time or costs of the process.

Again, thank you for the opportunity to provide this testimony.

Sincerely,

Jonathan (he/him)  
Jonathan Harker, AICP  
SD #23