



## **Testimony by City of Wilsonville Mayor Shawn O'Neil Opposing SB 974 A and Supporting Amendments:**

### ***Proposed Legislation's Unintended Consequences Will Produce Fewer Building Permits and Further Slow the Pace of Housing Production***

Scheduled for public hearing on May 5, 2025, before the House Committee On Housing and Homelessness

Chair Marsh, Vice Chairs Andersen and Breese-Iverson, and Members of the Committee:

I am testifying on behalf of the City of Wilsonville in strong opposition to SB 974 A that **seeks to reduce the timeframe for engineering permit approvals, but as we have seen from similar past regulations, the unintended result will be the opposite: more rigid completeness requirements that results in an increase in permit denials, which in turn leads to a reduced pace of permit issuance, thereby slowing housing production.**

Wilsonville is one of Oregon's fastest-growing cities for the past 20 years, contributing an estimated 20% of all new housing to the Portland metro area during that time with the largest percentage of 50% of middle-housing residential units in multifamily communities.

The City has three substantial concerns regarding SB 974 A:

**Concern #1:** The City is alarmed by the language inserted into Section 4, Subsection (5). The intent of the originally drafted bill was to provide some level of certainty in plan review timelines after a project has been entitled. **The language inserted into Section 4, Subsection (5) is not related to the originally intended bill and should be removed in its entirety.** If there is a desire to include modifications for design standards in this bill, the language should be modified to apply **design standards for any development with fewer than 20 units.** Based on prior legislative discussions, small projects on infill sites, are uniquely challenged and developers have argued for more flexibility on design standards.

As such, if Section 4, Subsection (5) is not removed entirely, the City recommends the following amendments in bold to the language in (5)(a):

- “(a) Shall waive the process or requirements for an urban housing application for the development of 20 or **more less** residential lots or parcels; and
- “(b) May waive the process or requirements for a **smaller greater** number of residential lots or parcels.”

Cities have worked with DLCD, the Governor's Office and the Legislature to balance reasonable design requirements that benefit communities' walkability and livability without unreasonably increasing the cost of housing. Careful consideration of design standards was incorporated into the original Middle Housing legislation (HB 2001) and associated rules. We also recognize the thoughtful approach the House and Governor's Office have taken for additional middle housing reform in House Bill 2138, including rulemaking to refine model design standards consistent with this ongoing collaborative effort around design standards.

The City of Wilsonville recently adopted innovative housing variety requirements that only work with design requirements that ensure cohesive neighborhood design rooted in important considerations like building orientation and landscaping standards. The ability to reasonably regulate design is what produces healthy, livable, mixed-income communities.

For example, the City has long regulated parking and garage design to limit driveways and promote safe and walkable communities; here is an example:



*Front-loaded townhouses without garage standards create an unsafe pedestrian environment.*



*Townhouses with garage standards that provide for alley access create a safer and more friendly pedestrian environment.*

Taking reasonable design standards away from Oregon's communities will not produce additional housing, reduce housing costs, or increase access to healthy communities. Design standards are not about aesthetics for exclusion; rather, they are most often used to promote public safety and create green, walkable, and inclusive neighborhoods.

The language used in SB 974 appears to be a "bait-and-switch" from the work the State did five short years ago related to HB 2001 middle housing siting and design standards, and then communicated broadly to jurisdictions and residents throughout the State. How

much time and money were spent to develop the model code? It appears that the legislature is taking public input that occurred as part of that rulemaking process and subsequent local-adoption processes and disposing of it because it inconveniences builders. **Any removal of design standards needs to be extremely narrow to identify a specific issue, otherwise the State ends up with unsafe, less diverse neighborhoods.** If any version of this bill moves towards law, this section must be struck or modified as suggested above.

**Concern #2:** Additionally, the City finds Section 3(21)(a)(A) of great concern by **defining a comprehensive plan change as a quasi-judicial limited land use decision.** Comprehensive Plans are by their nature a legislative policy document. It is unclear what type of quasi-judicial decisions the bill drafters intended when defining amending Comprehensive Plans as adopted, but this needs to be struck.

The City recommends amending Section 3(21)(a)(A) as follows: “Amend a comprehensive plan or seek a variance from a land use regulation.”

**Concern #3:** Lastly, Section 1 of the Bill is **too simple of an approach to engineering permitting fast tracking that will end up making the process take longer and be more expensive for developers, as well frustrate the ability for design engineers and City engineers to iteratively work through complex engineering issues.** As previously expressed in City testimony on SB 974, we have witnessed the expense and timeline for review increase for wireless facilities under federally-mandated shot clocks. The City does not want to see the same thing happen to housing production.

In 2018, the Federal Communications Commission (FCC) acted to preempt state and local authority to regulate the placement of small cells and also set “shot clocks” that control the timeframe in which local governments must review applications for small cell siting. While the intent was to speed up permitting, it actually slowed down the issuance of permits substantially. The effect of the rule was to force cities to deny many more applications, charge higher fees for external review, and require much more detail and developer expense at initial application.

The proposed completeness review period of SB 974A is less than half the period allowed for land use applications. As noted above, when a similar compressed review timeline was instigated for wireless facilities based on federal law, the City was forced to create a more extensive list of mandatory standard submittal requirements, which helped protect the City by ensuring that not only everything that was needed, but could be needed, was submitted. **This “could be needed” list is where the unintended**

**consequence and additional expense for the developer comes into play with SB 974 A. With limited ability to go back and ask for additional clarifying documentation when questions arise through detailed technical review, cities will be forced to ask for more materials up-front, knowing that there is realistically only the one chance to obtain the needed information within a compressed timeframe.**

This need-to-have-everything for completeness under a compressed timeframe also limits the ability to utilize deferred submissions. The City will often begin engineering plan review even though there is missing information from a utility provider or certain technical reports are not complete. This flexibility of scheduling prevents these often lagging items from holding-up the process and review timelines. **With a more limited timeframe for review as proposed by SB 974 A, cities will most likely need to have all of the utility provider designs and detailed technical reports prior to proceeding with review, delaying the whole process of engineering review and permit issuance.** This is just one example where it is critical to complete a wholistic look at the process as proposed in SB 1537 (2024) rather than jump to solutions with unintended consequences.

It should be understood that cities and special districts, from a risk management standpoint, are required to perform due-diligence review for infrastructure to accept ownership and maintenance responsibilities. **For liability and public-safety reasons, cities and special districts cannot accept substandard infrastructure. If inadequate technical materials are submitted, cities will be forced to deny an application rather than continue to collaborate with an applicant, thereby, stopping the development in its track.** While the language allowing for developers and cities to request 30-day extensions is helpful, the language still pushes towards the unintended result of more denials of engineering permits, which is exceedingly rare to non-existent under current practice, and something both parties generally want to avoid.

**Section 5 of SB 1537 (2024) directed by Housing Accountability and Production Office (HAPO) to study the housing permit process and make recommendations for improvements by September 15, 2026. Rather than implement new regulations at this time, the State should allow for HAPO to complete this study to identify and make recommendations for process improvements.**

The City of Wilsonville agrees with the recommendation of the League of Oregon Cities and the Cities of Beaverton, Bend, Eugene, Hillsboro, Portland and others to form a legislative work group that includes planning and building staff from cities of a variety of sizes, especially those where the staff may consist of one planner and one building

official. Collecting data on different processing times to identify those cities that are meeting the bill drafter's expectations on processing time and those that are not, and then determine if there are common factors impacting permit issuance timing. This may be an area where the newly formed HAPO can help with funding, staff recruitment, and evaluation of existing processes.

The City of Wilsonville appreciates the thoughtfulness with which this committee has considered various bills regarding the permitting and review of housing and made improvements to many bills to increase their effectiveness and avoid undesired outcomes. As a jurisdiction that aims to partner with the development community to increase housing production, while maintaining reasonable standards focused on long-term fiscal responsibility and community livability, the City feels it has an obligation to continue to be involved in these conversations.

Wilsonville knows both how to produce housing *and* create attractive, livable communities with substantial middle-housing residential living opportunities.

The City appreciates your consideration and urges opposing the legislation as presented or to support these proposed amendments to SB 974 A. Thank you.

Sincerely,



Shawn O'Neil, Mayor  
City of Wilsonville