



# Oregon

Kate Brown, Governor

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TO: The Honorable Alissa Keny-Guyer, Chair  
House Committee on Human Services and Housing

RE: **House Bill 2456**



House Bill 2456 would require counties to develop a process by which qualifying landowners may apply to the county to develop two or more affordable housing units on land zoned for rural residential use. Under the measure, a qualifying landowner is “a person that is recognized as tax exempt under section 501(c)(3) of the Internal Revenue Code or a religious corporation.” Subsection 2(2) of the bill exempts such developments from the goals and other contrary provisions of law. At the same time, paragraph 2(4)(d) requires that the developments be “in compliance with state statutes, local ordinances and the state building code.”

The bill proposes to exempt such developments from the statewide land use goals and implementing rules, but that local ordinances – which have been acknowledged to comply with the goals – continue to apply. Consequently, a county would be required to amend its zoning ordinance to permit any such development prohibited by the goals. For example, under current law, developments not permitted by the goals in rural residential zones would be multiple dwellings on the same lot and multi-unit structures such as duplexes, triplexes, and apartments.

The Department recognizes the need to increase the supply of affordable housing in Oregon. In this case, it is a question of whether rural residential areas are the most appropriate place to invest in affordable housing. First, these areas are generally located some distance from jobs and services for low-income residents (the bill defines “affordable” as “rented at a rate not to exceed 30 percent of the median family income for a family of four”). Rural residential areas typically do not have the full range of public facilities such as water and sewer services, and rarely are they served by public transit. Therefore, any savings to the developer through lower land cost and development fees will be borne by the residents in increased transportation and opportunity costs. Second, increased housing density in rural areas raises the potential for conflict with neighboring rural and agricultural activities. This is because many rural residential zoned areas are located in and amongst blocks of agricultural lands. Existing densities and minimum parcel sizes were originally established after consideration of impacts to adjacent and surrounding agricultural operations. Third, the measure’s language sets up a conflict between state law and local ordinances—since the bill would exempt these developments from compliance with statewide land use planning goals at the same time local ordinances are acknowledged to comply with the goals. For these reasons, current state law preserves rural areas and encourages developments inside urban growth boundaries where the facilities exist to serve them.

Thank you for this opportunity to provide you with information about HB 2456. If committee members have questions about this testimony, I may be reached at 503-934-0020 or through email at [ellen.miller@state.or.us](mailto:ellen.miller@state.or.us).