



Testimony in Support of House Bill 2003  
House Committee on Agriculture and Land Use

Speaker of the House Tina Kotek  
March 5, 2019

Chair Clem, members of the committee, thank you for the opportunity to testify in support of House Bill 2003.

The state's housing crisis has continued for far too long and demands a bold set of solutions from the Legislature this session. We just passed the first of its kind statewide tenant protections law last week to provide tenants with more predictability and stability. But our work is not done. We must increase emergency housing assistance. We must publicly finance more affordable housing across Oregon. We must create more housing choice in exclusively single-family neighborhoods. And we must smooth the way for more construction at the local level. This is the goal of House Bill 2003.

The Oregon Office of Economic Analysis has [calculated](#) that Oregon needs to build 30,000 new housing units per year on an ongoing basis to address the state's current housing deficit and to prepare for future population growth. To put this number in perspective, Oregon approved just over 20,000 housing permits in 2017. This was the height of permit approval since the Great Recession, and we fell almost 10,000 units short of what Oregon needs. What's worse? The number of housing permit approvals dropped in 2018.

As you all know very well, Oregon has a unique land use system that we consider part of our state's DNA. We have a statewide framework consisting of 19 statewide planning goals that we trust local jurisdictions to implement. Goal 10 is the Housing goal, and it requires local jurisdictions "to provide for the housing needs of citizens of the state." It also states that local plans "shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density."

In practical terms, the Department of Land Conservation and Development requires cities to analyze their housing needs, to meet their housing needs, to plan and zone their land within their Urban Growth Boundary (UGB), and, if necessary, to expand their UGB. They must also have a clear set of objective standards set forth in their housing permit application process.

Many cities have not updated their Housing Needs Analyses (HNAs) in more than a decade. For example, the City of Happy Valley last adopted a housing needs analysis in 1997. In 2018, I sponsored House Bill 4006, which provided \$1.73 million in technical assistance for local

jurisdictions to update their HNAs or update their codes. Over 100 cities applied for these resources, and of the 56 cities served by the resources, 22 of them are using the resources to update their HNAs.

But we also need to ask cities to do more than just zone for needed housing. Cities must be fulfilling the intent of Goal 10. Cities should be regularly evaluating their local policies to determine which policies create regulatory barriers that impair housing development. These reviews would also confirm which policies are in fact encouraging housing development.

House Bill 2003 would provide the necessary steps toward helping our state reach its housing supply needs as envisioned by our land use system, while providing local jurisdictions the resources they need to accommodate future growth.

House Bill 2003, as introduced, would:

### **Enhance Local Accountability to Achieve Goal 10 Obligations**

- Direct the Office of Economic Analysis to develop a Regional Housing Needs Analysis (RHNA) methodology to identify the total number of housing units (by housing type and level of affordability) needed to meet each city's and region's demand. The RHNA would also explore whether we could move toward a statewide assessment of our housing need in the future.
- Require each city and region to estimate their 20-year local housing need every eight years.
- Require cities to develop and adopt a housing strategy, i.e., a list of policy actions and measures that would demonstrably lead to greater residential development to meet local housing need.
- Direct Oregon Housing and Community Services (OHCS) and the Department of Land Conservation and Development (DLCD) to provide a list of potential policies to local governments that are shown to encourage housing development (e.g., density bonuses, system development charge waivers for affordable housing, etc.).
- Direct the Land Conservation and Development Commission to identify 10 priority housing cities each year that are experiencing difficulty implementing their housing strategy and either prioritize technical assistance resources for those communities or provide enhanced review and oversight of their housing strategy.
- Allow the DLCD, if a local jurisdiction still struggles to implement its housing strategy, to enter into agreements with local jurisdictions relating to their modification or implementation of their housing strategy, or petition to require the local jurisdiction to amend its comprehensive plan or land use regulations to comply with statewide land use planning goals, including Goal 10.

- Direct the DLCD to report to the Legislature each year on their enhanced support and oversight actions.

### **Address Miscellaneous Local Barriers to Housing Production**

- Allow the Secretary of State to spot audit local jurisdictions regarding how system development charges (SDCs) are being spent.
- Direct the Building Codes Division to maintain a statewide list of interested parties related to changes in SDCs and require cities to notify the Building Codes Division of their proposed methodology change related to the assessment of SDCs on residential development.
- Provide attorney's fees for representatives of affordable housing projects at the Land Use Board of Appeals if the representative prevails.
- Require a local jurisdiction that makes reduction in density a condition of approval for a housing development prove that it is necessary for a health, safety, or habitability reason.

I appreciate all the great work being done at the local level to address the housing crisis, and yet we all need to step up and do more. I support more planning resources to local governments to help get this done. House Bill 2003 will facilitate this work as we continue finding creative ways to solve the supply side part of our housing crisis.

Thank you for your time. I hope you will join me in supporting House Bill 2003.