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April 2, 2019

Chair Clem Members of the Senate Agriculture & Land Use Committee State Capitol 900 Court Street NE Salem, OR 97301

Re: HB 2003 and -4 amendments

Dear Chair Clem and Committee Members:

Thank you for the opportunity to provide testimony in support of HB 2003, including the -4 amendments. 1000 Friends of Oregon is a nonprofit, membership organization that has worked with Oregonians for more than 40 years to support livable urban and rural communities; protect family farms, forests and natural areas; and provide transportation and housing choice.

Oregon's land use planning Goal 10, Housing, requires that the local plans of every town and city:

"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."

Goal 10 includes specific planning implementation guidelines for cities to achieve this, including:

"In addition to inventories of buildable lands, housing elements of a comprehensive plan should, at a minimum, include: (1) a comparison of the distribution of the existing population by income with the distribution of available housing units by cost; (2) a determination of vacancy rates, both overall and at varying rent ranges and cost levels; (3) a determination of expected housing demand at varying rent ranges and cost levels; (4) allowance for a variety of densities and types of residences in each community; and (5) an inventory of sound housing in urban areas including units capable of being rehabilitated.

"Plans should provide for a continuing review of housing need projections and should establish a process for accommodating needed revisions."

Although this Goal 10 direction to cities has been on the books for 40 years, we know that, for a variety of reasons, most Oregon cities have not undertaken the necessary analysis to update their residential zoning to meet the diversity of needed housing types in the right locations, and most cities have elements in

their local zoning codes that can place unnecessary and costly hurdles to developing housing on lands zoned for residential use. The reasons for this include lack of funding, lack of local staff capacity, and local political opposition to the changes necessary to meet the housing needs of all Oregonians.

HB 2003 helps address this critical need, and thus improve the ability of all Oregon cities to provide adequate housing capacity. The -4 amendments are responsive to concerns raised about the original bill. HB 2003, among other things:

- Directs the Oregon Office of Economic Analysis (OEA) to develop a Regional Housing Needs Analysis (RHNA) methodology.
- Directs the OEA to use that methodology to conduct a RHNA for each of the state's 11 regions.
- Directs OEA to, for each city and Metro, inventory existing housing stock and establish a housing shortage analysis.
- Requires reports to the Legislature regarding the regional housing needs analyses and housing shortage analyses.
- Cities over 10,000 in population must adopt a "housing production strategy," by a date certain, to address any housing shortage identified.
- The strategy must be reviewed and approved by the Land Conservation & Development Commission.
- Directs cities to implement their housing strategy within the periodic review structure.
- Authorizes DLCD to award available funds for technical review and oversight to achieve this bill's purpose.

These activities will provide the objective, technical information that is absolutely necessary for cities, and all of us, to understand not just the housing needs in our own communities, but also how those fit into the overall needs of the region and state.

Thank you for consideration of our comments.

Sincerely,

Mary Kyle McCurdy

Mary Kyle McCurdy Deputy Director