



June 11, 2019

Co-Chairs Manning & Gomberg, Members of the Transportation and Economic Development Subcommittee of the Joint Ways & Means Committee:

Re: HB 2003A

As you know the League of Oregon Cities represents all 241 incorporated cities in the state. LOC remains concerned about the requirements and changes in law included in HB 2003A, but appreciates the improvements reflected in the ongoing amendments to the bill. There was consideration of city's technical needs and some sections of this amended bill are improved significantly. However, the additional work that is mandated without guarantee that the future financial support will be available to assist cities remains and therefore LOC respectfully requests that you vote no on HB 2003A.

Regional Housing Analysis

First, LOC is supportive of the changes to the proposed regional housing analysis process and the limitation of its impact to local governments, in the near future. We are also supportive of the requirement that those performing the analysis will consult with local governments. We also appreciate that there will be a review of the information and utility of these types of studies before there is a requirement that local governments use this data. LOC believes that performing this analysis once will help cities in starting local processes. Many of our cities are interested in the potential information that may be produced by this process, but recognize that it will only be the first step in understanding their local needs and how to approach them.

Housing Production Strategy

Cities across the state have been starting to use housing strategy documents as a way of making the local goals and process clear to their communities. However, HB 2003 creates a new requirements for cities to complete a strategy on a regular interval of every 6 years (for cities in the Metro region) or 8 years (for larger cities outside Metro). In addition, this work will also be required if periodic review is undertaken or another legislative review or comprehensive plan that addresses housing is undertaken. This will have fiscal impacts beyond the resources provided in section 24, as those dollars are only available for the next biennium. The amount of information that must be provided in the strategy is complex and will take time and investment from cities.

We remain concerned that the state is increasing the workload of cities without sufficient financial support. Periodic review was intended to provide the same consistent update to local plans, but the expectations of the process coupled with the disinvestment in resources to support the

process have prevented its success as a policy. It is possible that a similar cycle will occur with the new requirement to continuously update housing strategic plans. In addition, cities view the increased enforcement and oversight by DLCDC as likely to hold them accountable for decisions that are made by the private development market. When a city fails to abide by the goals and statutes, enforcement can be appropriate, but the criteria for assessing a city's compliance should be based on the regulatory structure that a city provides to the development market to work in, not the results of those private decisions.

LOC has strongly advocated for increasing the partnership between the state and cities in trying to address housing shortages. However, instead of seeing investment in local processes and joint problem solving, HB 2003 and similar legislation appear to provide more work with limited funding to pay for it. Without knowledge that these programs will change outcomes, it does not make sense to create a new layer of land use planning work that is untested or unclear. Instead, investing in the processes that do exist, but cities have not been able to afford, would be more likely to move the needle on housing and help cities work on addressing this significant problem.

LOC appreciates your consideration of the impacts this bill will have on cities and is happy to work toward a solution on housing as a partner to the state.

Sincerely,

Erin Doyle (edoyle@orcities.org)

League of Oregon Cities, Intergovernmental Relations Associate