

**HB 2889 A STAFF MEASURE SUMMARY**  
**House Committee On Housing and Homelessness**

**Carrier:** Rep. Dexter

**Action Date:** 04/04/23

**Action:** Do pass with amendments and rescind subsequent referral to Ways and Means. (Printed A-Eng.)

**Vote:** 9-1-1-0

**Yeas:** 9 - Dexter, Fahey, Gamba, Hartman, Helfrich, Helm, Javadi, Levy E, Wright

**Nays:** 1 - Cate

**Exc:** 1 - Boice

**Fiscal:** Has minimal fiscal impact

**Revenue:** No revenue impact

**Prepared By:** Claire Adamsick, LPRO Analyst

**Meeting Dates:** 2/7, 2/16, 4/4

**WHAT THE MEASURE DOES:**

Directs Department of Land Conservation and Development (DLCD), Oregon Housing and Community Services (OHCS), and Department of Administrative Services (DAS) to solicit written and oral public testimony to inform recommended methodological changes to the Oregon Housing Needs Analysis. Clarifies housing production targets are inclusive of housing produced by for-profit, nonprofit and public builders, and are segmented by specified income level. Defines “development-ready lands” as buildable lands likely to support production of housing due to being appropriately annexed and zoned; readily served through adjacent public facilities; or not encumbered by applicable local, state or federal regulations. Allows DLCD to refer a city to housing acceleration program based on city’s progress, proportionate to its population size, toward housing production targets for families earning less than 80 percent of median family income. Removes requirement that Metro allocate housing need for cities within Metro. Directs Land Conservation and Development Commission to give equal weight to statewide housing, economic, and transportation land use planning goals when evaluating whether a city’s amendment to its comprehensive plan is subject to commission review. Removes directive to OHCS to establish temporary advisory committee to advise OHCS on providing modular housing grants or loans. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Focus of measure on long-term framework vs. short-term housing production solutions
- Method for calculating vacant housing units as part of Oregon Housing and Community Services annual estimate
- Local government autonomy and accountability in moving development projects through approval process
- Application of Oregon Housing Needs Analysis to urban unincorporated areas and rural reserves
- Balancing state land use goals on housing development (Goal 10) with public involvement goals (Goal 1)
- Estimated need of units for households with income lower than 30 percent of area median income

**EFFECT OF AMENDMENT:**

Replaces the measure.

**BACKGROUND:**

According to the Department of Land Conservation and Development (DLCD), Oregon needs to develop more than 550,000 new housing units across income levels to accommodate 20 years of population growth and to account for current underproduction and the lack of units for people experiencing homelessness. DLCD estimates that approximately 49 percent of this housing will require public subsidy. DLCD reported in its February 2021 Regional Housing Needs Analysis report that underproduction can be attributed to high land and construction costs,

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inadequate infrastructure, and limited local government capacity, among other factors. The Oregon Office of Economic Analysis has reported on the longer-term impacts of housing production, including slowing economic growth and potential increased displacement of Oregonians who cannot afford to rent or buy a home.

Oregon's land use planning system is based on a set of 19, statewide land use goals that express the state's land use policies. Goal 10, "Housing," specifies that each local government must plan in advance to accommodate housing needs in alignment with the community's projected population growth. It requires each local government to inventory its buildable residential lands, anticipate its future needs for such lands projected 20 years into the future, and plan and zone enough buildable lands to expand capacity for needed housing development. Goal 10 requires local governments to apply clear and objective standards and practices in regulating the development of needed housing, and prohibits local regulation from "discouraging needed housing through unreasonable cost or delay."

In 2019, the Legislative Assembly enacted House Bill 2003, which required each city with a population greater than 10,000 to conduct a housing needs analysis, and to develop and adopt a housing production strategy to address unmet housing needs. The measure also allocated funding to DLCDC to create a new methodology, known as the Regional Housing Needs Analysis, for a statewide approach to address housing needs across income levels, while reducing geographic disparities in access to housing.

Subsequent legislation in 2021 and 2022 directed DLCDC to study and make legislative recommendations on the incorporation of a regional housing needs analysis into state and local planning programs, and to convene local government, development, and community-based and culturally specific stakeholders to make recommendations to address housing needs and land supply issues throughout the state. This work culminated in the enactment of House Bill 2001 (2023) which established the Oregon Housing Needs Analysis within Oregon Housing and Community Services (OHCS), with the stated purpose of furthering housing production and housing choice at all levels of affordability. House Bill 2001 directs DLCDC and OHCS to assist the Department of Administrative Services in implementing the provisions of the measure.

House Bill 2889 A clarifies and adds provisions to legislation enacted in House Bill 2001 (2023) which established the Oregon Housing Needs Analysis. The measure defines "development-ready lands" and allows DLCDC to refer a city to the department's housing acceleration program based on city's progress, proportionate to its population size, toward housing production targets for families earning less than 80 percent of median family income. The measure clarifies requirements for Metro in estimating and allocating housing needs for Metro cities, and directs the Land Conservation and Development Commission to equally weigh statewide housing, economic development, and transportation goals in evaluating whether local government comprehensive plan amendments are subject to the commission's review.