

FEBRUARY 6, 2024

TO: SENATE COMMITTEE ON HOUSING AND DEVELOPMENT

RE: SB 1537 – TESTIMONY IN SUPPORT

Chair Jama, Vice-Chair Anderson, and Members of the Committee:

I regret that I am not able to appear in person to express my support for SB 1537. As a fifth-generation Oregonian, I have deep experience and care for the issues and remedies addressed by the proposed bill and know that Oregon is at a crucial juncture in addressing housing.

As a parent, I see the value that Oregon's land use system brings to the quality of life for current and future generations. As a business owner, I've lived the challenges that financial markets are saddling development with. As a planning commissioner, I've waded through the difficult reconciliation of State mandates with local desires. As a city councilor, I've struggled with the lack of alignment between well-meaning state agencies and the lack of urgency that bureaucratic uncertainty creates. And, as a member of the Governor's Housing Production Advisory Council, I've spent the last year working with Oregonians of all political, economic, and geographic backgrounds to come together with common sense and actionable recommendations to address housing production.

SB 1537 is an excellent first step towards making meaningful change in how we think about housing in this State. To be sure, it is not a cure-all or an exhaustive list of actions that should be undertaken, and I expect that more controversial and impactful proposals will percolate through the political process and appear for consideration in next year's long session. However, the concepts contained in the bill in front of you are ripe for adoption now for several reasons:

- **The actions in SB 1537 lay the groundwork for future policy changes.** Specifically, the creation of the Housing Accountability Production Office is a necessary prerequisite for many of the policy proposals recommended by the Housing Production Advisory Council. Simply put, there is no single champion with enough political clout to force alignment (and a sense of urgency) between State agencies with different missions. Such a structure must be in place if future policy actions are to be quickly and effectively implemented.
- **Increasing regulatory flexibility is a low-cost, high-impact, common sense action.** Allowing developers to opt-in to current versions of code and to seek minor variances will increase the speed of housing production and decrease overall cost. Most importantly, the framework for allowable adjustments has been crafted so that community quality of life is not materially impacted.
- **Additional funding is required for meaningful progress.** It has become increasingly clear to Oregonians that the provision of sufficient, quality housing is a public good akin to infrastructure. This bill makes a downpayment on the public resource commitment required to reach sustainable and affordable long-term housing production. Specifically:
 - **The bill provides a serious commitment to supporting middle income housing.** Our past efforts (especially at the federal level) have focused almost exclusively on low-income

housing. While we have an obligation to help citizens at or below 60% AMI, we cannot ignore the serious housing deficit and challenges of those in the earning tiers just above. Even earning the median income for Oregon does not put housing insecurity out of mind. This bill is a long overdue recognition that we should ensure a diversity of housing options and prices.

- The bill recognizes that local jurisdictions need help. Actions in past legislative sessions have focused on mandating housing production and setting targets for local jurisdictions. However, the problem isn't that local governments are unaware of the need for housing, rather it is that they lack the resources to make meaningful change. This bill directs funding to those communities that acknowledge there is a problem and are proactively trying to address it. This philosophy will yield significantly more results than mandates and targets alone.
- **The one-time grant of UGB expansion authority is a well-balanced compromise.** Oregon's land use system is based on the premise that one-size-fits-all regulation is inappropriate. We expend significant public time and expense drafting, updating, and implementing local land-use plans within the confines of broad statewide goals. Many communities will have no interest in taking advantage of the UGB provisions in SB 1537, and for them, nothing will change. But for those locations that have a strong desire to increase housing supply and believe they need additional land to do so effectively, this proposal offers a path towards meaningful progress. As a former local elected official, I can assure you that Goal 1 (Public Involvement) is an effective guard against actions detrimental to a community. SB 1537 has a suite of restrictive conditions, criteria, and procedures that ensure any jurisdiction taking advantage of the one-time expansion are consistent with the broad themes of Oregon land use and the housing needs we currently face. It is appropriate therefore to let local officials do their job of balancing competing public interests and charting the best path forward for their constituencies.

Finally, I believe it is worth emphasizing that **SB 1537 will support all housing types, not just traditional affordable housing.** This broad scope is absolutely necessary if we are to make lasting change.

I strongly encourage you to recommend SB 1537 for adoption together with the forthcoming technical amendments. Thank you all for your time and attention to this bill and the impacts of the housing crisis on all Oregonians.

Daniel Bunn