



Testimony in Support of House Bill 2001 (-11 amendment)
House Committee on Human Services and Housing

Speaker of the House Tina Kotek
April 3, 2019

Chair Sanchez, members of the committee, thank you for the opportunity to testify in support of the -11 amendment to House Bill 2001.

The -11 amendment is the result of productive conversations with cities, developers, affordable housing advocates, land use advocates, and housing policy experts. I would like to thank everyone for the deep dive on the bill. I believe the following set of changes addresses many of the concerns raised about potential challenges to implementing the bill.

The proposed revisions would make House Bill 2001 more manageable for cities, while also continuing to recognize that Oregon is in the midst of an ongoing crisis and moment of significant change. We all need to push ourselves beyond our comfort zones to ensure our communities are inclusive and have more opportunities for affordable housing.

The -11 amendment would:

What Jurisdictions Must Allow

- Clarify that local jurisdictions must permit middle housing in areas zoned for residential use and explicitly exempt areas that are zoned for non-residential uses, including commercial, industrial, agricultural, and land zoned for public use.
- Clarify that local jurisdictions can comply by amending their comprehensive plan or updating their land use regulations – the bill does not require a full comprehensive plan update.

Regulations of Middle Housing

- Clarify that local jurisdictions may adopt regulations to comply with a protective measure adopted pursuant to a statewide land use planning goal.

Compliance Dates

- Extend the compliance timeline for large cities and jurisdictions within Metro from 30 months to 36 months (June 30, 2022).
- Extend the compliance timeline for cities outside of Metro with populations between 10,000 and 25,000 to 24 months (June 30, 2021).

Attorney Fees

- Remove the provision of the bill related to attorney fees.

Internal Conversions

- Replace the language in the bill as introduced with language recommended by the Department of Consumer and Business Services (DCBS), Building Codes Division.
- Require DCBS to provide an alternate route to approve the internal conversion of existing structures to middle housing and provide an opportunity for appeal if an application is denied.

System Development Charges

- Delete the provisions related to system development charges (SDCs).

Affordability of Middle Housing

- Require local jurisdictions to consider incentives to increase middle housing affordability, including property tax exemptions and SDC waivers and deferrals.

Deed Restrictions and Homeowners Association Agreements

- Clarify that neither deed restrictions nor governing documents of homeowners associations can contain provisions adopted after the effective date of the bill that prohibit the development of middle housing.

Technical Support for Local Governments

- Add a \$3 million appropriation for technical assistance to local governments to help with implementing the provisions of the bill.
- Clarify that technical assistance funding can be used for infrastructure planning related to allowing middle housing.

Housing Capacity Calculations

- Delete the provisions previously in the -10 amendment related to calculating housing capacity specific to allowing middle housing.
- Establish a limit on the rate of redevelopment that a local jurisdiction can assume for the purposes of calculating their housing capacity in the absence of quantifiable validation of their assumptions (the limit is no more than 3 percent beyond the existing residential capacity).
- Require, for assuming increased capacity beyond 3 percent, a local jurisdiction provide quantifiable validation that the assumed new housing capacity has been achieved in another area with the same authorized density level in that jurisdiction or a jurisdiction in the same region.
- Require that if a local jurisdiction takes action to increase the likelihood of higher residential density, that it must be in areas where sufficient urban services are planned to enable the higher density development over the 20-year planning period.

I agree that cities need more technical support to do this work, which is why I included a \$3 million appropriation in technical assistance to local jurisdictions in the -11 amendment. However, I once again want to remind everyone that we have a housing crisis. It will take a multitude of creative solutions, sometimes outside our comfort zones, to move the state forward. House Bill 2001 with the -11 amendment is a reasonable bill that will get us closer to this essential goal.

If passed, this bill will increase housing choice and the affordable housing supply in high opportunity areas in our state, which will make a huge difference for Oregonians. I urge your support of House Bill 2001 with the -11 amendment.

Thank you.