

Oregon City Planning Directors Association

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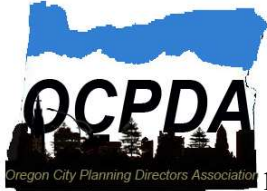
Chair Keny-Guyer, Vice Chair Noble, Vice Chair Sanchez, Members of the House Human Service and Housing Committee:

The Oregon City Planning Directors Association is a membership organization that serves planners through a network focused on promoting the need and value of effective planning policy and programs. As planners in cities in various parts of the state, of different size, and with unique communities, we are very concerned about HB 2001 and its potential impacts.

First, land use planning in Oregon requires comprehensive planning, which means that cities do not plan for one project at a time. Instead, the system of Oregon's land use laws requires cities to do advanced planning that extends 20 years in time and incorporates not just expectations for housing and employment structures, but water, sewer, and road needs. In addition, comprehensive plans require insuring sufficient green space and minimize the potential impacts of natural hazard areas. Each of these goals represents a value of Oregonians. But, Goal 1 is citizen involvement, which increases the likelihood that long-term visions of the city match community expectations and sets the expectations for future development. Unfortunately, the terms of HB 2001, as introduced, do not reflect this carefully balanced system of planning.

Changes in zoning must also account for changes in the public facilities that support the new type or level of development. To systemically up-zone all single family zone to allow for anywhere from double to quadruple the potential capacity requires an overhaul of the public facilities plan. However, in areas of infill, it is unclear how this can be added to any capital improvement plan because it would be done lot by lot, and not on an area wide basis. The transportation planning rule would also require cities to redo transportation plans as increased density changes traffic impacts.

Cities that have looked at adding the unit types defined as "missing middle" have done so through their long-term planning processes, starting with a housing needs analysis (HNA) which have led to housing strategic plans that go through public processes that include citizens, affordable housing providers, developers and realtors. Cities bring these local perspectives to the table to determine the best way of meeting the needs established in the HNA. In creating a strategic housing plan, a city can prioritize the changes to their comprehensive plans, zoning, development code, and development processes to address the variety of potential barriers to housing development. Therefore, all types of supporting planning is done to increase the likelihood that a variety of housing types can be accommodated. This is the planning process that our state land use system envisions. However, the process takes time to be done correctly. HB 2001 only provides a short window to complete the change in zoning, but the



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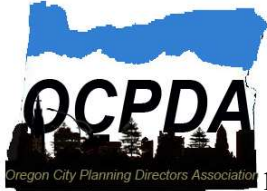
supporting information takes longer to develop. And the process of building community consensus takes even longer.

HB 2001 also violates Goal 1 in a profound manner. The end result of the process is determined by the state and disregards the concerns that citizens might have about protecting important resources like historic housing, trees, or other important neighborhood characteristics. If citizens do not feel they truly have a voice it undermines the intent of Goal 1, diminishes the faith of citizens in the land use system, and leads to legal disputes throughout the development process. Many cities are still dealing with the public concerns about state mandates for accessory dwelling units, and further mandate from the state will only exacerbate the frustration that citizens are feeling with the process.

What will best assist cities in examining the best mix of housing is assistance with the capacity of local planning programs. Technical assistance that can help cities use consultants or other experts to provide the analysis that guides a city to increasing the options to developers is key to creating better outcomes. Some cities might want a variety of model codes from the state to assist in putting together a better local code as it would tailor best practices to the realities of development in a city. All of this takes time for cities to complete and for the market to react. Oregon's land use planning is intentionally deliberate to insure that it is based on data and research as well as an open and accessible process that helps citizens have an opportunity to believe in the plans that are made.

In fact, a number of cities are still working through the process of updating housing planning documents based on investments by the state in grants to complete this work. Shifting cities onto another, new concept means that the results of these investments will be put to the side if the same cities have to start a new process to meet the deadline in HB 2001. This could delay implementation and progress that the state just invested in. Other cities are midway through their housing planning outside of the state's investment. They have put city resources to this task because they share concerns that the housing development is not meeting local needs. Others have just completed their plans and are well into implementing changes that increase affordable housing options and a variety of housing types. There is a real concern that city investments will be lost if work must be redone because it does not match the mandated outcomes of HB 2001.

Further, the bill requires cities to establish a system development charge deferral program in a manner that does not fully protect city interests. By deferring payments of certain system development charges (SDCs), the risk of default will lie with the city and, therefore, with the current citizens. SDCs are intended to insure infrastructure investments are paid for by new users. If a developer defaults before a project is completed, a city will not be able to collect the fee because no certificate of occupancy will be issued. In addition, properties can be transferred prior to the certificate's issuance and that places the lien onto the purchaser without allowing their financing for the purchase of the units to include the fee.



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In addition, there will be increased work for cities where not all SDCs are charged by the city. Where special districts and counties assess the SDC, cities often merely collect pursuant to the SDC established by the other local jurisdiction. The increased efforts to ensure that the deferral and encumbrances are coordinated between all the jurisdictions charging an SDC could significantly increase workloads in some areas that rely on multiple service providers. If a deferral program is to be included in this bill, we need significant safeguards to insure that cities will not be left on the hook for sunk costs, and increased flexibility in how to provide such an option to a developer.

We know that this hearing is merely the first conversation about this bill. It is our hope that outreach to planners will be extended as the process moves forward. We are invested in good planning and understand the complex process that is required in updating housing plans. OCPDA is prepared to come to the table to work on this issue and feel our planners are in the best position to determine what types of policies and investments by the state can have real impacts on housing outcomes. Leaving a diverse set of planners out of the conversation will needlessly impair success in increasing the opportunity to have more unit types permitted in the development process.

We look forward to working with all stakeholders as this process moves forward.

Sincerely,

Nick Snead
President
OCPDA