



Testimony in Support of House Bill 2001 (-10 Amendment)  
House Committee on Human Services and Housing

Speaker of the House Tina Kotek  
March 18, 2019

Chair Keny-Guyer, members of the committee, thank you for the opportunity to update you on the work being done to revise House Bill 2001, specifically the -10 amendment.

After the first public hearing, I considered the concerns raised about potential implementation challenges, especially those around the timelines for compliance and the unique planning challenges of smaller cities. I think the -10 amendment addresses most of these concerns. The changes would make it easier for cities to manage allowing middle housing units while also recognizing that we are in a crisis and all need to do more to improve housing choice in Oregon.

The -10 amendment would:

*Definition of Middle Housing*

- 1) Add “townhomes” to the definition of middle housing.

*What Jurisdictions Must Allow*

- 2) Remove counties, unless they are within the Metro Urban Growth Boundary (UGB).
- 3) Increase the population threshold for jurisdictions that must allow all of the middle housing types and change the requirement for smaller cities to only require allowing duplexes:
  - a. Bigger cities (greater than 25,000): For cities outside Metro, those with more than 25,000 people must allow all the middle housing types.
  - b. Jurisdictions within Metro: Within the Metro UGB, all counties and cities above 1,000 people must allow all middle housing types.
  - c. Smaller Cities (10,000 to 25,000): Cities with a population between 10,000 and 25,000 must allow duplexes on each lot that allows for a detached single-family home.
- 4) Allow jurisdictions to exclude land that is within the UGB but is not incorporated and lacks sufficient urban services.

- 5) Clarify that nothing in the bill prohibits local governments from permitting the development of single-family dwellings in areas that are zoned to allow them.
- 6) Establish a temporary limit on the rate of redevelopment that a local jurisdiction can assume for the purposes of calculating their housing capacity. The temporary limit is no more than 5 percent for a period of five years after adopting their middle housing code. This limit will ensure that a local jurisdiction cannot make unreasonable assumptions about the rate of redevelopment since allowing middle housing in other parts of Oregon has resulted in slow and gradual development.

#### *Compliance Timelines*

- 7) Extend the timeline for large cities and jurisdictions within Metro to adopt a middle housing code by one year (from 18 months to 30 months).
- 8) Maintain the 18-month timeline for smaller cities to allow duplexes since duplexes are easier to accommodate.
- 9) Allow the Department of Land Conservation and Development (DLCD) to grant a six-month extension to a local jurisdiction for a specific neighborhood if that neighborhood has a significant deficiency in their storm, water, or sewer infrastructure. The local jurisdiction must include a plan to resolve the deficiency.

#### *Reasonable Regulations of Middle Housing*

- 10) Clarify that “reasonable regulations” cannot discourage the development of middle housing through unreasonable cost or delay.

#### *Technical Support for Local Governments*

- 11) Add an appropriation to provide local governments with technical assistance to implement the provisions of the bill. It would also give priority to local jurisdictions with limited planning staff or those that commit to implementing the provisions of the bill earlier than the date the bill requires.

#### *Incentives/Removing Barriers to Develop Middle Housing*

- 12) Expand the provision of attorney’s fees to the prevailing party to local jurisdictions that approve a middle housing permit and have their approval appealed by a third party.
- 13) Clarify that, for the requirement to defer system development charge (SDC) payments until certificate of occupancy, that a developer must pay their SDCs before they can receive their certificate of occupancy.

- 14) Prohibit deed restrictions that are adopted or renewed after the effective date of the bill from restricting the development of housing that would otherwise be allowed by the underlying zoning or land use regulations.

The -10 amendment to House Bill 2001 is the product of productive conversations with cities, developers, affordable housing advocates, land use advocates, and housing policy experts. My office heard from the City of Tigard last week that it took them 18 months to adopt a city-wide code allowing middle housing. They did 12 months of public outreach to design a code that worked for their community. They adopted the code six months ago and are just beginning conversations about potential SDC waivers for middle housing to incentivize more deeply affordable units.

The conversations that led to this amendment help address the concerns some cities had about the original bill. With the -10 amendment, House Bill 2001 is crafted in a way that is manageable for cities to implement.

If passed, this bill will increase housing choice and the supply of more affordable housing in high opportunity areas in Oregon. It is another important part of addressing our housing crisis.

Thank you.