



TO: Sen. Kayse Jama, Chair, Senate Committee on Housing & Development
Members, Senate Committee on Housing & Development

FROM: Palmer Mason, Department of Land Conservation and Development

DATE: March 21, 2023

RE: **Senate Bill 1051 – Updated from “oppose” to “no position”**

The Department of Land Conservation and Development (DLCD) appreciates the opportunity to comment on SB 1051 which allows a property owner to petition for an urban growth boundary (UGB) adjustment up to 200 acres for “workforce housing.” While DLCD is neutral on this bill, we can offer policy adjustments that better align with the Oregon Housing Needs Analysis (OHNA) recommendations to support the development of more workforce and affordable housing.

DLCD recognizes that land supply is a constraint on housing production, but it is not the major challenge. Other factors played a larger role in underproduction, principally infrastructure capacity and construction costs. (OHNA Report, Appendix F, University of Oregon Development Barriers Survey Brief and Summary Report, [Barriers to Housing Production - 2 pg Brief \(oregon.gov\)](#)).

As proposed in the -2 amendment, SB 1051 may not actually generate much “workforce” housing nor any affordable housing. The city must amend its comprehensive plan or land use regulations to set aside no less than 20 percent of the land to be used solely for workforce housing or both workforce housing and workforce commercial development. In other words, at best, only 20 percent of the land will be used for housing but, since some undefined percentage of land can be used for “workforce commercial development,” the result could be minimal land for workforce housing. As for affordable housing, the -2 amendment provides no guaranteed pathway for these desperately needed units.

The -2 amendment relies on vague or undefined terms. For instance, the term “urban reserves” is not defined in Section 2. Presumably, the term refers to acknowledged urban reserves under OAR 660-021 or -027, but several jurisdictions, including Deschutes County, have areas zoned “urban area reserve” that are not adopted urban reserves under state law. Similarly, in Section 2(4), the amendment requires a covenant to provide urban services within two years of the city’s approval of the petition. But this provision is vague, raising many important questions. Does it mean “roads built and pipes in the ground?” What happens on day 731 if the improvements are not all complete, but just partially complete, or funded but not started?

The -2 amendment does not require a clear demonstration of the need for housing. Rather than using a robust process such as a Housing Capacity Analysis, the language merely directs the city to “identify need for workforce housing in the comprehensive plan.” This provision is open to wide interpretation.

Lastly, the -2 amendment provides no role for the county or other property owners in the urban reserves regarding the location, timing or manner of the UGB expansion. Similarly, it does not exclude areas subject to natural hazards, or even require consideration of any measures to reduce risks.

DLCD can recommend more narrowly tailored models of small-scale UGB adjustments for housing. For instance, the OHNA report contains a good discussion of several options ([Appendix A, Page 7](#)).