



March 23, 2023

Representative Maxine Dexter
Chair, House Committee on Housing and Homelessness
900 Court St NE
Salem, OR 97301

Re: Support for HB 3414

Dear Chair Dexter and Members of the Committee:

I write on behalf of Home Forward in strong support of House Bill 3414. This bill provides a pathway and ongoing support for affordable housing developers to develop housing that meets the needs of the unhoused and unstably housed by doing two things:

1. Limiting conditions under which local governments may deny variance requests for housing developments within the urban growth boundary; and
2. Creating a Housing Accountability and Production Office

Home Forward is a Public Housing Authority (PHA) and the largest provider of affordable housing in the state of Oregon. We serve more than 15,500 Multnomah County low-income households by providing affordable housing, administering rent assistance, and providing supportive services. Our mission is to assure that the people of our community are sheltered. We own and manage over 6,500 homes throughout Multnomah County. We also provide households with services which range from youth support to health and wellness. Meanwhile, we fund rent assistance for thousands of households residing in private unregulated housing that we do not directly oversee. We administer emergency rent assistance programs that benefit landlords and tenants alike, including Short Term Rent Assistance, the Landlord Compensation Fund, and the Landlord Guarantee Fund.

Home Forward knows firsthand the development setbacks that can be caused by compliance with local land use regulations and repeated denied variance requests. Since 2019, Home Forward has been working with the city of Troutdale to create approximately 100 units of affordable housing funded by the Metro Bond on a 3.5 acre site donated by Multnomah County. In early 2022, through a land use application, Home Forward requested the following variances for this project:

1. Minor design variances including increasing the size of windows beyond code to allow more light into residents' homes and decreasing windows in a small portion of the project to create privacy for a neighbor at the neighbor's request;
2. A parking reduction from the local regulation that requires two parking spaces regardless of unit size based on the fact that 50% of the units will be studio or one bedrooms and a third-party parking study which showed that, based on comparable nearby affordable housing projects, the actual demand for this project is 1.09 spaces per unit; and
3. Right of way vacation of an unimproved, adjacent dead-end street to create space for additional parking and outdoor play areas.

All requests were denied. Home Forward participated in seven public meetings to discuss the project and find potential areas of agreement. We have now resubmitted a revised land use application, reducing the units to 85 and increasing parking to 140 spaces. We are waiting to hear back from the city of Troutdale.

Despite the fact that nearly 60% of Troutdale's renter households are rent burdened according to the Housing Needs Analysis completed by ECONorthwest, this project's preconstruction phase has taken twice as long as our typical projects. The delay caused by the denial of Home Forward's variance requests and subsequent process has added a year and a half to our expected project timeline. This means that homeless individuals and renters at risk of homelessness have been denied access to stable housing for over a year and a half. This also means that Home Forward has been kept from starting the development of another much-needed affordable housing project for over a year and a half.

Development setbacks like those experienced by Home Forward in Troutdale put affordable housing projects in financial jeopardy. Setbacks cause significant financial costs that many affordable housing developers simply cannot absorb. In Troutdale, Home Forward will incur nearly two million dollars in additional project costs due to extended pre-construction services, construction inflation, compliance with elaborate code requirements, and increases in construction loan interest expense. Such setbacks can and do unravel elaborate funding sources that braid together multiple time-sensitive funding sources.

Passage of HB 3414 would allow affordable housing developers to build developments that respond to the needs of the community rather than build developments that respond to outdated and often times subjective land use standards. We ask this Committee to support HB 3414 and give affordable housing developers the tools they need to meet the housing production goals laid out by Governor Kotek. We also ask this Committee to make this bill effective on its passage and end the setbacks currently being experienced by many affordable housing developments around the state.

Thank you for the opportunity to testify. Please contact Amanda Saul, Assistant Director of GO Bond Development at (503) 740-7594 or amanda.saul@homeforward.org regarding these comments.

Sincerely,

Amanda Saul

Amanda Saul
Assistant Director GO Bond Development
Home Forward