

MAXINE E. DEXTER
STATE REPRESENTATIVE

DISTRICT 33



HOUSE OF REPRESENTATIVES

To: Members of the House Committee on Rules

Date: May 9, 2023

Subject: Support HB 3414

Chair Fahey, Vice-Chairs Breese-Iverson and Kropf and members of the committee:

For the record, my name is Dr. Maxine Dexter and I am honored to be the State Representative for House District 33, which includes NW & Downtown Portland, Linnton, and Cathedral Park. I am grateful for this opportunity today to testify today in support of HB 3414, a bill which would establish the Housing Accountability and Production Office and amend variance application processes in local jurisdictions.

HB 3414, if passed, would establish a centralized office, the Housing Accountability and Production office, at the state level through an interagency partnership between the Department of Consumer and Business Services and the Department of Land Conservation and Development. This office will be a foundational element to effectively implementing the Oregon Housing Needs Analysis policy, which passed earlier this session as a component of HB 2001. It will also be available to support housing developers that are dealing with regulatory barriers to residential construction and will be responsible for assessing allegations of housing law misconduct, providing an important means by which local jurisdictions will be held accountable to state housing laws.

Through my time spent helping negotiate the OHNA policy over the last year, it became clear that a centralized office could be critical to facilitating the efficient and effective implementation of the policy. We need more housing production, and to do this we need to do things differently. This office will be given the responsibility of providing technical assistance to local jurisdictions to help make sure they are optimally able to build the housing their community needs. Our housing shortage is at crisis levels and to effectively respond we need all-hands-on-deck, working together in a coordinated fashion. This office will help coordinate and facilitate local actions while also being able to take a state-wide view – optimally the office will help identify and share best practices and approaches to housing production that any of our local jurisdictions may innovatively establish.

Innovation is key to effectively addressing our urgent need for housing production. To optimize our success in this regard, we must establish a regulatory environment that nurtures innovation. Identifying the highest-yield opportunities for innovation in housing production will be ongoing

work and it is starting, in HB 3414, with limiting a local jurisdiction's ability to deny a builder's application for a variance to current land use regulation when the variance request will not put the health, safety or habitability of the community at risk in addition to a finite number of additional exceptions. This approach is bold and clearly could be uncomfortable if you are a local jurisdiction who has established land use regulations intentionally and thoughtfully. I see discomfort in a positive light here as it shows we are sincere in our effort to evolve our approach to development. This is the area of most discussion currently in the bill and I do believe there will likely be another amendment that addresses some of the differences of opinion that still exist. I also see this tension as something that needs close attention now and over time – if local jurisdictions are unable to protect the health, safety or livability of their communities or the natural environment they reside in due to this statutory change, then I am committed to readdressing and amending this policy in future sessions.

The approach HB 3414 takes in focusing on central coordination and variances is smart - it prioritizes an opportunity for change in an area that is limited in scope but impactful on production. It is also one where there is significant variability across jurisdictions, allowing us to learn from differing approaches across the state. It may make some uncomfortable, but I am clear that true innovation requires an environment that makes failing on a small scale acceptable. An ugly building that houses our neighbors is better than a perfect building that takes years longer to be built. A beautiful building that adversely impacts the safety of our community is not acceptable and the risk for such buildings must be addressed and minimized in a nimble fashion. Having a central office will help us do this more effectively. Through failures, we will learn, and I am committed to addressing opportunities to do better through statutory changes in future sessions. I also fully support the 10-year sunset that is contained in the -6 and urge us to maintain a finite time or outcomes-directed sunset. To address Mr. Tschabold's statement about the removal of the \$10M for technical assistance, I am committed to making sure we maintain investments in local technical assistance and believe it would be best spent through this office.

The combination of these two concepts as articulated in this bill are essential supplements to the long-term solutions demonstrated in the OHNA policy. We need housing production at every income level, in every community, and this policy is a step towards ensuring our future success.

Thank you for your time and consideration today.

Sincerely,

A handwritten signature in black ink, appearing to read 'Maxine Dexter', written in a cursive style.

Representative Maxine Dexter, M.D.

House District 33

NW & Downtown Portland, Linnton & Cathedral Park