



**TO:** Senator Kayse Jama, Chair, Senate Committee on Housing & Development  
**FROM:** Sandy Belson, Comprehensive Planning Manager, City of Springfield  
**RE:** SB 1537  
**DATE:** February 9, 2024

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The City of Springfield is working diligently and urgently to address our community's housing needs and we appreciate the Governor's commitment to addressing the housing crisis across the State.

As we have worked to develop and implement our housing strategy to meet the critical needs in our community, the City strives to be a good partner with the State in developing and implementing the many legislative directives impacting our housing, development and land use policies. In the development of the bill before you, SB 1537, we are very appreciative of the work done by the Governor's staff over the past several months to work with cities, including Springfield, to understand our concerns and questions. Many substantive changes were made as a result of that collaboration and we would like to express our appreciation for those clarifications and improvements to the language. However, there are still components of the bill that need additional work and we would be remiss if we did not state that the City continues to have reservations about the impact some sections of this bill will have on the number of units built in our community and the speed at which they will be built.

The City of Springfield is aligned with the testimony offered by the League of Oregon Cities, but appreciate your consideration of additional feedback:

- Financial Assistance Supporting Housing: Funding is our top priority, especially funding for critically needed infrastructure. We appreciate the addition of very low income housing to the eligibility list. This should be broadened to allow awards to entities like special districts, housing authorities, and others, mirroring language in Section 17 (4) of the bill.
- Housing Project Revolving Loans: We appreciate the improvements made to this section making it more flexible for cities. We suggest amending Section 24 (4)(a) to say "very low income, low income, or moderate income" consistent with changes made to other sections of the bill. We also seek clarification in Section 29 (3) that individual grants do not need to be approved by ordinance or resolution.
- Housing Land Use Adjustments: We are opposed to this section and have had substantive feedback that has not been incorporated into current language. We remain concerned about the potential negative impacts on communities that our code was designed to prevent (adjustments and expansions of non-conforming uses). We already have a lean/minimal code with clear and objective standards as requested by legislature along with opportunities to request administrative variances. We request this section be removed, but if it is to remain in the bill please consider the following modifications:
  - Section 38 (1)(b)(B): We appreciate that additional exclusions were added but believe "historic or cultural resources" should be included in order to preserve the integrity of our historic district.

- Section 38 (2)(g): An applicant should have to demonstrate, not just state how, they meet the criteria. This indicates a need to provide evidence to back up the assertion versus just explanation.
- Section 38 (4)(g)(D)(ii): If the City does not outright prohibit these uses for housing in mixed use areas, but limits them to a certain percentage of the ground floor in order to preserve area for commercial development, is this language implicated? What does "clearly defined mixed use areas or commercial corridors designated by the local government" mean?
- Section 39 (4): Under state law ORS 197.195, limited land use decisions can be appealed by anyone who has commented, not just the applicant. Springfield opposes granting appeal rights exclusively to the applicant.
- Limited Land Use Decisions: Springfield allows some expansion or modification of a non-conforming use to be processed as a Type 2 (limited land use) decision. However, the Director will elevate complex applications that involve some discretion to a Type 3 decision. Expansions of housing in industrial areas per Section 45 (1)(c) could create significant detrimental impacts and that are best served by going through a public hearing process that gives all parties and the general public more of an opportunity to testify. We would encourage this to be removed.
- One-time UGB expansion: A UGB expansion/exchange for Springfield would be on resource land as we are located between two rivers and most of the land outside our UGB is either zoned for agricultural or forest use. Thus, Springfield would not be able to utilize the tool created in this bill and previous versions. At a minimum, we would need to be allowed to expand onto resource land.
- Housing Accountability & Production Office: Based on the language of the bill, the City of Springfield does not see a need for this office that can't already be addressed through the coordination of existing state agencies. We do not see a need for an enforcement aspect of HAPO and have yet to see an explanation of the "problems" it would address that aren't already within DLCD/LCDC or BCD authority. There is potential for this office to provide more robust technical assistance and support, but only if they are working in conjunction with and in support of local governments.
  - ORS 197.090 includes provisions for transparency and accountability by DLCD to LCDC for intervening or appealing decisions by local governments. This bill continues to appear to allow HAPO to totally side step any of those checks and balances, and includes no sidebars on what kinds of cases HAPO can appeal or intervene in as long as it involves "housing." The state land use system is intended to be a balance between local governments and statewide coordination. Is there some evidence that the current checks and balances in ORS 197.090 are not working well? Is there a documented need for such overarching and broad authority for HAPO to intervene in or appeal local government decisions beyond the authority provided to DLCD in ORS 197.090?
  - LCDC must operate in an open public forum whereas staff do not.
  - Section 2 (5) and (7) still seem to imply that local governments could be subjected to two different conflicting enforcement proceedings at the same time under ORS 197.293 (which will be part of ORS 197A within HAPO's authority). If DLCD takes action under ORS 197.293 and HAPO takes action under this section, which one takes precedence? There could be significant confusion for cities if we find ourselves in the position of underproducing housing and subject to multiple overlapping enforcement actions by the state.

- Section 3 seems to be expanding LCDC's authority beyond ORS 197.320 to include any aspect of housing listed Section 1. (5)(a). Thus, this bill significantly expand LCDC's authority over local planning matters and gets into what would typically be the purview of other agencies such as DEQ with regards to a moratorium.

The City of Springfield cannot underscore enough the need for funding in meeting our community's housing needs, especially the infrastructure required to support new housing. We are very encouraged and supportive of those components in SB 1537 and we appreciate the interaction with the Governor's Office during the development of the bill. However, we fear that without the time and opportunity for cities to implement what has already been mandated of us, we do not know the impact of previous directives and what needs to be refined. Catching up on compliance with existing rules and regulations will be more helpful to processing applications for new homes and provides a means to see what changes are helping us meet our housing goals and what is not.

The City of Springfield appreciates your consideration of our concerns and would ask that you give full weight to the testimony submitted from your local government partners. We are working hard and will continue to work hard to address the housing needs of our community.