



March 6, 2025

Senate Committee on Housing and Development
Oregon State Legislature
900 Court St. NE,
Salem, OR 97301

RE: SB 49

Oregon is short over 100,000 homes for Oregonians. We all must collectively work together to find solutions to build needed housing. The League of Oregon Cities and our 241 member cities continue to pursue solutions, tools, and funding that will help to address that goal. The creation of tools and funding structures that work for our local communities, across Oregon, is vital and the same solutions may not work everywhere but we remain committed to pursuing flexible tools and funding that can fit a variety of communities needs and build more housing.

The League of Oregon Cities stands in opposition to SB 49-1. This bill is geared to eliminating barriers in local code to housing production but was developed without the input of the practitioners on the ground, our local planners, who understand the barriers and needs for their communities. When city planners analyzed this bill, the big question was why? These changes aren't going to spur housing production and just remove vital tools that work, while adding no new tools.

SB 49 -1 undermines our land use planning system and local control, for changes that will not lead to more housing.

Removing Minimum Densities - Section 2(2) – Opposed as written.

Mandatory minimum densities are key to ensuring Oregon meets its housing goals. They exist to ensure and demonstrate to DLCD that we are efficiently using and urbanizing residential lands (Goal 14). Mandatory minimum densities are a core part of our cities' Housing Production Strategies and meeting the goals laid out for our cities in the Oregon Housing Needs Analysis. There is a history of housing not being built to minimum densities, so as to be exclusionary and purposefully not provide sufficient affordable housing. Removal of densities encourages sprawl and will not move us towards meeting our housing goals.

We do, however, understand there are a narrow set of cases where minimum densities prevent any housing development from occurring, when a few units could be built, just not up to the maximum density. We are open to narrow-tailored version of this provision, perhaps looking at the model that California uses that allows fewer units to be built if the property is laid out in such a way that can still be built to the minimum density later.

Requiring Adoption of Previously Optional Model Codes - Section 2(3)- Opposed.

Cities have already made all required changes to the City's Development Code to implement SB 1051 (2017), HB 2001 (2019), and rules adopted by LCDC. Adopting a document that was to be developed as a model, not a required ordinance, and never intended to be required under SB 1564 (2024) serves no purpose. The intent of SB 1564 is clear both in statute and on the legislative record - the intent of this statute is to develop model ordinances that a city could, but is not required, adopt so as to lessen administrative burden in cases where cities do not at that time have capacity but may want to go back at a later date and adopt a more tailored ordinance.

This section only serves to remove the local ability to tailor local codes and ordinances to local needs.

Removing Land Use Goal Planning When Creating More Density - Section 3(10) - Opposed.

This encourages bad planning practices and assumes that upzoned land has previously been developed. Land can be already improved and upzoned, but greenfield development also requires upzoning. No matter what cities need analysis on the housing (Goal 10), infrastructure (Goal 11), and traffic (Goal 12) capacity and needs. Both so that cities can accurately calculate SDCs for any developments, a necessary tool to ensure cities can provide adequate infrastructure, and so that we create livable communities with sufficient

infrastructure. Without this analysis cities cannot accurately account for the land in their comprehensive plan, plan for infrastructure for the site and capacity needs for the system or develop transportation options or infrastructure for residents.

This provision has the potential to worsen the existing gap between the state's direction to update codes and plans to encourage the development of needed housing and a city's ability to maintain and update comprehensive plans, infrastructure master plans, transportation system plans, and public facility plans to ensure not only an adequate land supply for both housing and employment, in addition to all the required infrastructure to support it. Cities are already self-funding changes to comprehensive plans, infrastructure master plans, and public facility plans.

While this provision is a "may" not a "must," there is no need for this, this is not a flexibility that will spur housing production, it will only allow for poor planning and continue our infrastructure crisis.

Changing Council Authorities - Section 4(2)(b) - **Opposed.**

This authority is not needed. City councils already have tools to address this challenge. A better way to address the challenges that occasionally arise with planning commissions and other bodies stepping outside their purview would be better education for planning commission members and other advisory body members as to what is in their purview. In 2023 the LOC worked with Representative Marsh to bring HB 3174, which in Section 4 created a statewide education program on Oregon's land use system and local governments' and advisory bodies' roles and responsibilities within it.

As written, this provision only weakens local control by creating another state mandate about what a local body can and can't do rather than allowing them to continue to have flexibility and address situations in the way that best serves their local community.

Changes to Inclusionary Zoning (IZ) - Section 5 - **Opposed.**

This bill will prevent any other city from creating or maintaining an IZ program by making it prohibitively expensive. Cities are already under intense financial pressure due to Measures 5 and 50, with 66% of cities across Oregon facing a fiscal cliff and major budget short falls by the end of this fiscal year and the remaining 33% still under tight financial constraints. LOC understands that IZ works best when funded, but cities do not have the funds to implement this, this will only serve as a de facto elimination of IZ in Oregon.

For clarity on the record, none of LOC's 241 member cities are supporting this proposal as written, nor have any said that they will use this proposal if passed.

With state funding LOC is open to conversations about how to restructure the IZ statute to better serve small to medium sized cities, like reducing the minimum number of units from 20 to 10. However, requiring our cities to provide subsidies they cannot afford in order to adopt this program is not a viable path.

Building Code Structures Board Changes - Section 9 – **Opposed as written.**

As written, this bill changes the fundamental makeup of the Building Codes Structures Board. There are major concerns with inserting, potentially multiple, people related to multi-family housing production, while taking away representation from other parties that need to be represented in this body, like contractors and those who specialize in heavy industry construction.

We understand that was not the intent of this section and there will be a forthcoming amendment.

The League of Oregon Cities shares the state's housing goals and our 241 cities are working urgently to unlock and encourage needed housing across the state. Housing markets, and the variety opportunities and barriers to producing more housing look different in different size cities and regions. Cities need a range of tools to meet their local needs. There are no tools in this bill.