March 17, 2025

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

Overall, cities understand and agree with the intent to provide quicker turnaround times for single family homes, middle housing, and manufactured housing. This measure will not accomplish this as written. As proposed, SB 974 would require cities to take final action on a land use application for the development of a single-family dwelling within 45 days, including the resolution of any appeals under ORS 215.422. This may seem wonderful, but there are unintended consequences, resulting in more denials and more applications rejected, LOC and cities stand opposed to SB 974 as written.

The new definition for "Urban housing application" and making everything listed a limited land use decision is both internally inconsistent within the bill and inconsistent with the existing structure of land use planning and decision making in Oregon. The changes in SB 974 would result in a myriad of potential complications and challenges, ultimately resulting in added cost and delay for the developer and eventual residents.

Combined with SB 6 these measures would upend our permitting and zoning processes for housing, more time and work is needed to ensure that we are creating a new system that works for all. Currently both measures would have significant unintended consequences and neither measure would benefit the city or the developer and applicant.

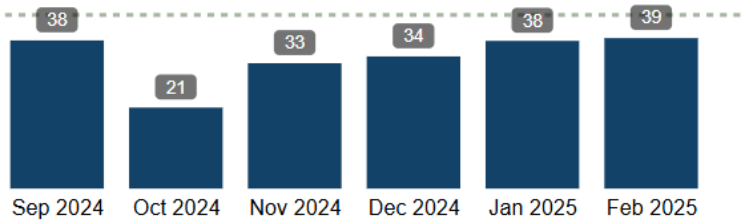
We understand there is a forthcoming amendment to SB 974, to address some of the concerns, lack of clarity, and major implementation concerns. We look forward to working with the bill advocates and Senator Anderson's office on this measure. Technical comments provided by city staff, who are the subject matter experts on this subject matter experts on the process and what the implementation of this measure would mean for Oregon.

We urge a "NO" vote on SB 974 unless amended.

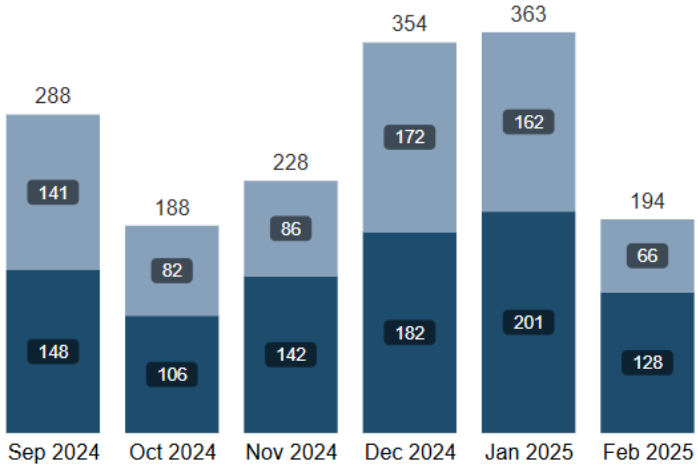
Section 10: Will increase overall costs to cities and appellants. A developer could appeal an approval over a minor condition of approval and, if they prevail at LUBA, a city would have to pay their soft costs for engineering. In cities where permit fees cover all costs of the private permit program, the city would have to raise fees for all engineering permits to build a reserve in case such cost are awarded.

Section 11: Requires a city to issue a decision on a final engineering design permit within 120 days. A significant amount of the overall permit timeline in an engineering permit is the time response and redesign by the applicant when the original design is incorrect. For example one city's goal is 45 days for the first round of review for complex engineering permits, and the year average currently is 43.2 days. An iterative process of responding to corrections by the applicant's engineer and rereview by city of the revisions is the shared time it takes to finalize the permit. Here are two graphs from the same city's permit timeline dashboard that demonstrates this:

Graph A: Days to complete first engineering review by city staff:



Graph B: Days to permit issued – dark blue is city time; light blue is developer time:



If this bill is approved, cities would have to change processes such that the first round of review is the “decision” that is issued within 120 days. This would require an applicant to apply to reconsider their denial with new information in the form of corrections, which today is a simple resubmittal. Changing this will add more time and cost and make the process more complicated without fundamentally changing the outcome.

Under this statutory language, an engineering permit would become a limited land use decision subject to notice and appeal to LUBA. This adds an overly proscriptive process to what today is a simple local procedure. LUBA referees are land use law experts. They do not have experience in adjudicating engineering permits, which will further add to confusion and delay.

Section 12 and 13: This section entirely removes local control on design review. Design review covers many different issues, some of which like building orientation and where the driveway and garage are and connect to the road are necessary safety reviews. This bill creates an all out ban on design review and fails to acknowledge the necessity of certain aspects of design review and the role of design review and planning in creating livable, vibrant communities.

Section 14(8): Makes Final Plats subject to a 120-day shot clock. A final plat cannot be approved by a city unless all public improvements are constructed by the applicant or a financial security guaranteeing their construction has been accepted by the city. All land use conditions of approval must also be met. Currently a final plat application may be filed by a developer while construction is underway, and the city may begin review while construction and bonding are finalized such that the final plat is ready to record at the same time the improvements are done. This is an efficient process. Under this bill, a final plat would be limited land use decision subject to review based the extent of construction at the time of filing. This would result in two scenarios:

1. A developer must wait to file a final plat application until the very end when everything is built or bonded. This means city review of the final plat cannot start until later in the process which will cause delay.

2. A developer files a final plat application early, before construction is complete, which would force a city to deny the final plat because the final plat criteria of approval has not been met, which again would cause delay.

It does not make sense for a plat to be potentially recorded with errors, such as tracts with no ownership, inaccurate property descriptions. Not catching important details at plat review leads to many maintenance issues down the road, Case in point, a private drive

tract in disrepair that has no clear ownership or responsibility on plat. Missing details is a disservice to all, to future owners and others long term.

Section 11 (2): "Deemed approved" is a big issue. This bill fails to account for who assumes liability for failed infrastructure that was not fully reviewed due to the strictures of this measure. Can a city act against the design engineer, contractor, developer, or others when an unreviewed sewer line fail? This bill fails to acknowledge that cities take on a lot of responsibility and liability when accepting developer designed and built infrastructure, and it has a fiduciary responsibility to protect the public and rate payers from poorly built infrastructure that will have higher life cycle costs. It is not appropriate for the legislature to remove cities and special districts' ability to do due diligence before accepting infrastructure in perpetuity.