



To: Sen. Kayse Jama, Chair, Senate Housing and Development Committee
Rep. Maxine Dexter, Chair, Housing and Homelessness Committee
Rep. Mark Gamba, Vice Chair, Housing and Homelessness Committee

CC: Governor Tina Kotek
Senator Rob Wagner, President of the Senate
Representative Dan Rayfield, Speaker of the House

From: Sen. Dick Anderson and Rep. Vikki Breese Iverson

Date: January 10, 2024

Subject: Housing Emergency in Oregon

On Day #1 in office, Governor Kotek signed Executive Order 23-04 which set a laudable and ambitious goal of 36,000 homes to be built per year and established the Housing Production Advisory Council (HPAC). This group met regularly and ultimately came up with 59 suggestions to the Governor for adoption. HPAC's work is a step in the right direction. Oregon has built between 19,000 and 20,000 homes every year since 2018. Last year, we came in at the lower end at 19,000 units.

As vice-chairs of the Housing Committee in both chambers and members of the HPAC process, we feel the Legislature can work with the Governor's office to enact simple policies to move the needle significantly in 2024. This must be swift, bipartisan, and decisive for Oregonians to benefit from our actions today. We recommend the following actions for the short session, each of which would sunset when Oregon can sustainably build 36,000 units:

1. Get permits and plans out the door.

- 90-day requirement for cities to process building permits and development plans starting from receipt of complete application.
- All relevant state agencies concurrently complete approvals within 21 days of receipt of complete application.

2. Fees and grant structure changes.

- Immediately allow for System Development Charges (SDC) and other fees associated with the housing project to be paid for at the end of the build versus the beginning.
- Create grant/loan opportunities for affordable and workforce housing projects in municipalities for infrastructure/gap funding (drafts and legislative concepts in progress.).

3. Invest “one-time” state money into water, sewer, and roads to properties “ready to build” in counties/cities across Oregon.

- Prioritize funding based upon cities who have identified infrastructure priorities in their housing production models.
- Apportion funding equally by legislative district to ensure infrastructure improvements are directed to all areas within the state.
- Do not limit project funding only for workforce/affordable housing projects – local governments will self-select based upon housing production targets assigned by DAS under HB 2001.

4. Direct DLCDC to immediately prepare model development codes for small, medium, and large Oregon cities.

- To streamline the building process, allow property owners to choose a local code or the state model code based on city size. Beaverton and Lakeview should not have the same code with widely different populations (See Senator Anderson’s LC Draft and HB 2001 from 2023).

5. Create land development and redevelopment incentives inside cities and UGBs.

- Create a state capital gains reduction or other incentives for land sold for development or redevelopment inside the UGB, with a sunset clause to spur sale of land ready to build.

6. Land Use rule changes for the 2024 Session, further and continued discussion needed in the 2025 Session.

- One-time UGB expansion to cities for a one-time rapid land development (based upon HB 3414B).
- Streamline “Land Swaps” already in LCDC rule to allow cities/Metro to move UGB property in and out of the UGB without increasing overall land in the UGB. Cities must initiate the process, land available for land swaps based upon existing priorities for UGB inclusion, and land removed from the UGB should be designated as urban reserves.
- “Free 40” – rural cities should be allowed a one-time authorization to include 40 acres inside the UGB to handle specific housing in smaller rural communities that lack sophisticated planning staff.

It is imperative we move the needle on all housing during the short session. The best way to achieve these goals is to remove government-imposed burdens and increase some supply of land in the system. The items outlined above can make a tangible difference today while keeping sight of the long-term housing goals of the Governor and Legislature.

It is incumbent upon the housing committees in the Legislature and the Governor's Office to act on policies that will create housing units today. HPAC identified a litany of potential fixes the Legislature can take up, but this will take time we do not have.

Oregonian voters approved a 35-day short session during 'even' years intended for "emergency fixes and budget items". We believe the bullets points outlined above fits the framework of the constitutional duties we are entrusted to uphold. We hope you do as well.

Respectfully,



Senator Dick Anderson (SD 5 – Lincoln City)
Vice-Chair of Senate Housing and Development Committee



Representative Vikki Breese Iverson (HD 59 – Prineville)
Vice-Chair of House Housing and Homelessness Committee