



Representative Jeff Reardon
House District 48 (East Portland & Happy Valley)
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H-491

HB 2890

Repeals provision that prevents local governments from imposing conditions on approved permits that effectively establish sales price for residential development or limit purchase to class or group of purchasers.

House Committee on Human Services and Housing
Testimony of Representative Jeff Reardon
House District 48
March 22, 2013

The bill before you today would lift the ban on inclusionary zoning. The ban prohibits elected officials from making important decisions about what housing gets built in the communities they were elected to represent. It is a tool local authorities **may** use to require construction of *some* affordable units. **No one** is required by this bill to use the tool.

Please look at the two documents before you. Together they illustrate where to find affordable housing in the Portland area. (The blue line is 82nd Avenue and the yellow line is I-205.) You will notice that affordable housing is most available east of 82nd, but not to the west. That's important for two reasons: First, people should be able to live and work in the same area, but our teachers, firefighters, and police that serve the west part of the city are often unable to afford to live there. Second, having the majority of affordable housing in one part of town creates other problems, problems that have affected my part of town over the last 10 – 15 years.

A lack of affordable housing is the first of many falling dominoes that affect the livability of East Portland and other areas. My area is one of only a few in the city where an average family, just starting out, can afford to buy a home. The concentration of low- and middle-income residents has kept East Portland from earning its fair share of attention from local governments. Roads there are in disrepair and students lack sidewalks near their schools. The lack of nice homes and influential residents has left us often ignored by the rest of the City.

The crisis, in turn, places unnecessary strain on schools in these areas, because of the influx of residents searching for affordable homes. For example, David Douglas serves over 10,000 students. We're doing well, despite overcrowding and shorter school years, but we carry a burden most districts don't have to contend with.

Areas with mostly low- and middle-income residents **and** areas with mostly high-income residents suffer from economic segregation. But when areas decide to apply inclusionary zoning policies, they promote economic *diversity* within neighborhoods. This diversity combats

segregation and leads to integration, which provides a place for residents to live *and* work. Students achieve better outcomes, crime rates drop, and the health of residents is improved.

When I refer to affordable neighborhoods, some folks envision poorly-kempt houses, unmaintained yards, and maybe unpaved streets. They don't want those attributes coming to *their* neighborhood. But that's not how inclusionary zoning works. Instead, it brings communities together, so that *everyone* can benefit from paved roads, sidewalks, and maybe even some tree-lined streets. Some people also worry that their neighborhood will change with an influx of low-income residents. But inclusionary zoning best serves the middle class. It promotes home ownership among our firefighters, teachers, and police officers.

Let me give you an example of the type of resident inclusionary zoning helps. A first-year Portland teacher makes just under \$36,000. The average home price in Portland is about \$248,000. Assuming our new teacher has \$250 a month in debt (a modest estimate to cover their student loan and car payments) and makes a 10% down-payment, she could swing a home price of \$152,000—as long as she doesn't have *any other* big expenses. You can see from the map, our teacher has little choice in where to buy a home.

I represent East Portland, but this issue affects cities around the state. It is Oregon's mix of urban metropolitans and rural farming communities that make our state unique – and strong. There is not a one-size-fits-all approach to affordable housing. So why does Oregon have a law on the books – a law that no other state besides Texas has adopted – which limits our local governments' ability to provide safe, clean, and affordable housing to their residents?

When the ban on inclusionary zoning was originally passed in 1999, proponents argued that affordable housing was a “societal problem,” deserving of a “societal solution,” and that a single industry shouldn't bear the cost. But inclusionary zoning *is* a societal solution, because the cost is shouldered by the community, where each resident chips in a little extra—for the people who keep us safe, who educate our children, and who maintain our city—and they reap the added benefits of economic integration. In fact, the lack of inclusionary zoning policies has just made our societal problems worse! I strongly believe repealing the ban is much fairer than the current model, which burdens the residents and schools of one area by lowering property values and increasing crime and class sizes.

If a perfect solution does not exist, then I ask for an “aye” vote on HB 2890, which allows the community to pull together to support each other. I ask you to support a solution that returns to local governments one more tool in their tool belt to meet affordable housing goals. And I ask that you stand up for the middle-class family, so they can enjoy the life of homeownership that we once took for granted.

Home Price: \$275,000 to \$500,000

Single-family homes for sale in Portland, as of March 20, 2013



