



The Oregon Home Builders Association strongly opposes HB 2564.

Current law gives local governments the ability to adopt inclusionary zoning requirements, so long as they are incentive based and voluntary. The whole point of inclusionary zoning is to create houses and condos at below-market rates; current law says that's fine so long as the builder agrees.

**HB 2564 would allow local governments to force builders to lose money.**

This is not only a totally unfair, unwarranted and we believe unconstitutional shift of a public obligation to private sector businesses, it would be a first in Oregon law.

We don't believe there is another example where a private business can be forced to lose money to assist those less fortunate or where the business can be burdened with the individual responsibility to address a broad societal problem:

- We don't tell grocers they have to sell food at a loss
- We don't tell car dealers they have to sell cars at a loss
- We don't tell teachers they will be paid less to teach in lower-income schools
- We don't tell clothing stores they have to sell at a loss
- We don't tell pharmacies they have to provide medications at a loss

So why would it be acceptable to force builders to do so? It isn't. But that's what HB 2564 would do.

And even more offensively, HB 2564 implicitly holds builders responsible for the affordable housing problem in Oregon. This conveniently ignores such minor details as

- ✓ A land use system that deliberately constrains the supply of land, inevitably driving prices up
- ✓ An infrastructure financing system that can add \$40 or \$50,000 to the price of each lot
- ✓ A permitting system that is cumbersome and expensive and which is designed to force builders to justify their actions – even inside UGBs where we supposedly want development to occur
- ✓ Environmental regulations and building code requirements that were adopted with no thought as to their impact on affordability
- ✓ A state budget where money for housing is essentially a rounding error

A serious attempt to address affordable housing in Oregon would look at these issues and more, but those bills aren't in front of this legislature.

At best, HB 2564 is based on a misunderstanding of the building and development process; at worst, it is a cynical attempt to shift the blame to builders for society's collective failure to do something meaningful about housing affordability. It's also more than a bit obsessive; by fixating on something that is unavailable in Oregon – the ability to force builders to take a loss – we are not talking about programs and initiatives that might actually reduce the cost of housing.

OHBA has been and is committed to working on the issue of affordability, and when the legislature or local governments want to have a serious conversation on this important issue, we'll be there.

But since HB 2564 is neither good housing policy nor a serious attempt at solving the problem, we vigorously oppose it and will be urging a NO vote should it move forward as written.