



The Oregon Home Builders Association supports HB 3221.

Oregon law already requires that jurisdictions have a 20 year supply of buildable land inside their urban growth boundary; HB 3221 clarifies how the analysis and planning should be conducted.

In a nutshell, here's what jurisdictions are supposed to do under current law:

- Calculate how much buildable land they have inside their UGB;
- Analyze how much and what types of housing they'll need to handle housing demand over the next 20 years;
- Figure out how much of that housing can be built on the identified buildable land; and
- If what they'll need is more than what they have, either expand their urban growth boundary (UGB) or increase density or both.

Here's basically all that HB 3221 tells jurisdictions to do in addition:

### **Show your work in the margins.**

HB 3221 is intended to make sure that the UGB analysis already required is based on factual data and reasonable assumptions based on that data, not on any presupposed outcome. It reconfirms something else that we thought was implicit in state law: that the size of a UGB is a function of the market demand for housing, commercial and industrial land, not the other way around.

While the problem which HB 3221 attempts to address is not unique to Metro, it is highlighted by the UGB planning currently being done there, which has preliminary findings that:

- Single-family housing demand and multifamily housing demand will completely reverse from historic patterns;
- Demand for for-sale attached housing will be nine times greater than historically realized;
- Housing demand will unprecedentedly shift to the City of Portland compared to single-family residential capacity outside of Portland;
- 77% of housing capacity will be met through redevelopment of existing neighborhoods;
- Average residential demand will see densities of over 98 du/acre when the previous, historical average was 40 du/acre and below;
- Dramatic reductions in suburban housing are assumed with those housing units being shifted to redevelopment in the City of Portland;
- Portland's annual housing production will more than double from a 13 year average of 2,570 new residential units/year to an annual average of 5,399 units.

To put just one aspect of the issue into graphic form, here is what is being discussed in terms of single and multi-family housing (and, to at least some degree, for owner occupied v. rental housing) in the Metro area:

Census year	Single Family	Multi Family
1960	85%	15%
1970	76%	24%
1980	81%	19%
1990	80%	20%
2000	74%	26%
2010	70%	30%
Average, 1960-2010	60%	40%
<b>Assumed in Metro Plan, 2015-2035</b>	<b>36%</b>	<b>64%</b>

To be very clear: this and other market transformations might happen. The impetus behind HB 3221 is not that the status quo should be encased in amber – if the market wants higher density, or if Oregonians opt to be renters instead of home owners, or if more people want to live in center cities than in the suburbs, or if all future growth can be contained within a jurisdiction’s current UGB, so be it.

The point of HB 3221, though, is that “might happen” does not equate to “will happen”, and that planning for an outcome is vastly different from actually achieving that result. To use one of the points made above as an illustration: if the plan assumes that Portland is going to double its housing production and sustain that rate of growth over the next 20 years, what is the city going to do differently in the future to make that reasonably likely?

The fact is that we don’t know, and that’s what HB 3221 is designed to address. By requiring jurisdictions to show their work in the margins, to more adequately document and justify the assumptions that they’re making, we believe we’ll get better and more realistic outcomes.

We encourage your support for HB 3221.