



133 SW 2nd Ave, Suite 201 • Portland, OR 97204 • (503) 497-1000 • fax (503) 223-0073 • www.friends.org

Southern Oregon Office • PO Box 2442 • Grants Pass, OR 97528 • (541) 474-1155 • fax (541) 474-9389

Willamette Valley Office • PO Box 51252 • Eugene, OR 97405 • (541) 520-3763 • fax (503) 223-0073

February 1, 2016

Senator Gelser, Chair
Senate Committee on Human Services & Early Childhood
State Capitol
Salem, OR

Re: SB 1533

Dear Chair Gelser and Committee Members:

1000 Friends of Oregon is a 40-year old, non-profit, statewide organization. We advocate for livable urban and rural communities, protecting family farms and forests, and conserving natural areas, through the implementation and improvement of Oregon's land use planning program. We support SB 1533, which would lift the current ban on inclusionary zoning.

Since its inception in 1973, Oregon's land use program has recognized the importance of ensuring that every community provide housing to meet the needs of all residents, including future ones. That requirement is reflected in land use planning Goal 10, Housing, which requires that all communities plan their land to ensure the provision of housing for all, including affordable housing. And since the beginning, 1000 Friends of Oregon has been involved in shaping strong land use policies to see that intent implemented, through policy advocacy, participation in rulemaking, education, and litigation. Having the right land use and zoning tools in place is a necessary, but by no means sufficient, element in providing affordable housing for all.

Local governments in Oregon lack a key tool in the affordable housing tool box – that of inclusionary zoning. Since 1999, this tool has been prohibited under ORS 197.309, making Oregon one of only two states in the nation to ban this tool. Passing SB 1533 means this tool is available to local government *to use or not*.

For those cities choosing to use inclusionary zoning, SB 1533 has sideboards built in that place a cap on the percentage of affordable housing that can be required in a development. The bill also requires that cities provide one or more builder benefits that are listed in SB 1533, which have been shown in the places that use inclusionary zoning to enable builders to make a profit on these developments.

Inclusionary zoning is a tool which, unlike many other affordable housing tools, ensures that housing for those of low and moderate income are integrated into all neighborhoods, rather than isolated. It is a tool local jurisdictions can use to ensure that public investments in transportation and other amenities are benefit all.

Inclusionary zoning is also a tool to combat climate change. Studies have shown that one of the most effective ways to reduce GHG from transportation is to ensure that affordable housing is located near transit and in walkable neighborhoods – not at the edge.

Some have claimed that the problem of affordable housing facing many Oregon communities is our urban growth boundaries. However, not only is this not accurate, but it is a distraction from the harder problems to address, as shown by many studies – including those sometimes pointed to by those making this claim.

Numerous reports demonstrate that the problem is in *local* land use regulations that *restrict* density and housing types - the result of which is insufficient housing located where people want and need to live. It's not UGBs.

For example, the paper by Jason Furman, Chairman, Council of Economic Advisers, discusses the adverse role that “restrictive zoning rules” play in driving up housing costs.¹ As Furman states:

“Zoning restrictions—be they in the form of minimum lot sizes, off-street parking requirements, height limits, prohibitions on multifamily housing, or lengthy permitting processes—are supply constraints.”²

“A variety of changes—some due to the Great Recession and so likely temporary and others more structural—have led to growing demand for multifamily, rental, shared occupancy, and home modifications. Multifamily housing starts have risen back up to where they were prior to the crisis, while the single-family category still has yet to recover fully (Figure 4). Much of the recovery in multifamily, however, may be the result of shifting preferences, with Americans desiring greater density, as evidenced by the growing share of people choosing to live in urban areas. The looming problem, though, is that multi-family housing units are the form of housing supply that is most often the target of regulation, thus restricting the potential for sustained long-run growth in this category.”³

In fact, Mr. Furman notes that pushing development to the edge causes “greater environmental damage: when strict zoning policies cap a city’s density, they ensure that the city’s residents must on average occupy more land than they otherwise would and travel greater distances to and from work as well, both of which increase carbon production, all else equal.”⁴

Another economist summarized Mr. Furman’s findings:⁵

¹https://www.whitehouse.gov/sites/default/files/page/files/20151120_barriers_shared_growth_land_use_regulation_and_economic_rents.pdf, p. 2

² Id., p. 5.

³ Id., p. 7

⁴ Id., p. 11

⁵ <http://cityobservatory.org/zoning-and-cities-on-the-national-economic-stage/>

"As Furman calls out, all the things that impede increments to housing supply including density restrictions, parking requirements, prohibitions on mixing different uses in a single neighborhood—contribute to higher prices, less mobility, lower economic growth and greater inequality. In fact, the “modern” approach to planning has made the most desirable, most valuable most in demand kind of neighborhood—walkable, dense, mixed use urban development—actually illegal in most places. “

“... changing land use laws to allow more housing, and more varied kinds of housing, can do a lot: slow the growth of regional housing prices; encourage integration by creating more affordable mixes of housing in high-demand neighborhoods; reduce transportation costs by allowing people to walk to some destinations and more effectively use transit; and so on. But while it’s a crucial part of making more equitable and sustainable cities, it doesn’t address every problem. Direct housing support, either through vouchers, public housing, or both, will always be necessary for people who can’t afford private housing even in efficient markets; tenant protections are needed to prevent landlord abuse, whether through illegal evictions in high-priced communities or neglect in low-demand areas; and expanded public transit is needed to efficiently and affordably connect people in all communities to jobs and services. Making zoning changes a clear part of this broader agenda is important to building broad support.”⁶

It is time to end the distraction of things that will not actually result in affordable housing. It is time to lift the prohibition and leave it to each community whether or not, and how, to use inclusionary zoning to ensure that all residents have access to good housing, neighborhoods, transportation, and other amenities.

Thank you for consideration of our testimony.

Sincerely,



Mary Kyle McCurdy
Policy Director and Staff Attorney

⁶ <http://cityobservatory.org/about-that-consensus-on-zoning/>