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January 27, 2016

Representative Knute Buehler Via email – Rep.KnuteBuehler@state.or.us

Re: Senate Bill 1575 Proposal

Representative Buehler:

I am writing to discuss Senate Bill 1575 introduced by Senator Chris Edwards of Eugene. I believe that, if drafted correctly, the bill could greatly ease the affordable housing issue currently facing Bend and other cities in Oregon. For example, there is currently land located just outside of Bend's Urban Growth Boundary (UGB), but because of the State's priorities for land there are too many obstacles that the landowner would have to overcome to have this land included in Bend's proposed UGB. The result is that the land can only be included in Bend's new UGB if the owner completes an expensive and uncertain petition process resulting in a cost to the landowner that makes an affordable housing development financially not realistic.

To resolve this obstacle and still protect Oregon's agricultural lands, I propose that SB 1575 include an exception for the development of affordable housing. Specifically, I propose that, in addition to exceptions land and nonresource land, land in exclusive farm use zones that is comprised predominantly of Class VII and VIII soils, as identified in the Soil Capability Classification System of the United Sates Soil Conservation Service, be eligible for inclusion in a UGB for the development of affordable housing. Class VII and VIII soils are considered to be poor quality for farm crops or even for providing enough forage for a livestock operation.

The property located at 21455 East Hwy 20 in Bend is a perfect example of land that could benefit from the above suggestion and assist with Bend's low income housing issue. The property is a 36.39 acre lot that abuts the current UGB. It is mostly zoned exclusive farm use, but has a small section zoned urban area reserve. The owner and developer have already created a low income housing plan for this property which is illustrated on the attached Plat Plan. The development will provide affordable single family housing prices projected at \$225,000 to \$275,000 plus town homes, affordable apartment living, and an assisted living facility. This diverse mix of housing will clearly serve many of Bend's housing needs.

The proposed property has great potential for providing Bend with much needed affordable housing because of low development costs. In addition to land in this area being less expensive than other properties, connecting utilities and roads to the property will be less expensive as well. Water is available to the property via a water main at Highway 20 and Hamby Road as well as via a water main approximately 200 feet to the west on Highway 20. Existing sewer is available via Livingston Drive to the west and additional sewer capacity is projected via the approved 27th Street interceptor project scheduled for 2016/2017. Road access to the property is already available from Highway 20 to the north and Bear Creek Road to the south and can easily be connected to Livingston Drive to the west. Furthermore, the flat terrain of the property reduces the cost and time of initial site work and infrastructure installation. The end result of these property characteristics is lower development costs which translates into more affordable housing. Finally, the builder and developer for this project are the same entity which removes a profit layer from the development and contributes further to affordable housing prices.

The project should be shovel ready following approval for development and the 27<sup>th</sup> Street sewer interceptor. But first, a common sense solution to allow an exception for lands like this must be made available to landowners.

I strongly encourage you to consider this proposal as I believe that it is a common sense solution for making additional lands available to address affordable housing needs throughout the state. Should you have any additional questions or require any additional information, please feel free to contact my office.

Sincerely,

CARL W. HOPP, JR.

dh Enc.

cc: Representative Cliff Bentz

Representative Mike McLane Representative Gene Whisnant

