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February 7, 2016

Rep. Brian Clem, Chair
House Committee on Rural Communities, Water, and Land Use
State Capitol
Salem, OR

Re: HB 4079

Dear Rep. Clem and Committee Members:

Thank you for the opportunity to testify on HB 4079. Since its inception in 1973, Oregon's land use program has recognized the importance of ensuring that every city provide housing to meet the needs of all residents, including future ones. 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.

The land use program works on both sides of the UGB when we have livable communities for all, including affordable housing with access to opportunity, and we protect the working landscapes and natural areas around those communities for food and fiber production and habitat protection. That is the land base for Oregon's #2 and #3 industries – agriculture and forest products.

However, we oppose HB 4079 because it does not work for either side of the UGB. We appreciate the concern reflected in the bill for the affordable housing plight facing Oregonians in large cities and small towns across the state, and that the bill is a pilot project. However, we oppose HB 4079: it offers the false promise of affordable housing relief and it has significant challenges of practicality, fairness, and clarity. And in doing so, it breaks the balance currently provided between urban and agricultural needs by Oregon's proven long-term UGB land supply.

In our comments here, we briefly describe the current requirements for affordable housing in Oregon's land use program and then provide comments specific to HB 4079.

Oregon's Land Use Planning Program & Affordable Housing Framework

Oregon's land use program has 19 statewide goals, each addressing a different issue. Goal 10, Housing, requires that every city plan and zone residential land to meet the full range of housing needs for the long term – 20 years. That is, every city must ensure it has residential lands zoned for single family housing, multi-family housing, duplexes, attached single family housing, accessory dwelling units, and other diverse housing types.

Goal 10 is quite clear on the obligations of cities to provide land zoned for *all* housing type (emphasis added):

"To provide for the housing needs of citizens of the state. Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units **at price ranges and rent levels** which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing **location, type and density.**"

Goal 10 defines "needed housing" as follows:

"Needed Housing Units - - means housing **types** determined to meet the need shown for housing within an urban growth boundary at **particular price ranges and rent levels.**" ¹

Comments on HB 4079

We have two overall concerns with HB 4079: it allows cities to avoid taking the harder – but appropriate- steps to provide land for all housing types, and it ignores the expense of providing infrastructure to more land at the edge; an expense that drives up all housing costs and renders unlikely achieving meaningful levels of affordable housing being built.

First, we are concerned that HB 4079 allows cities to not fulfill their obligations under state law. As detailed above, cities are required to establish a 20-year land supply for the housing needs of all. If a city does not have enough land, it can expand its UGB, and this bill would be irrelevant. However, if a city has a 20-year land supply, and yet has an affordable housing need, that indicates **the city has not zoned residential land for the densities and types people need, and in the locations that housing is needed.** There is a mis-match between the amount of land provided, and the actual housing allowed to be built on it.

In other words, the city has not stepped up to zone its residential land supply to truly meet the needs of all its residents – including enough apartments, duplexes, and attached single family housing. Rezoning for these housing types provides the opportunity for moderate and lower

¹ 197.303 defines "needed housing" as:

(1) As used in ORS 197.307, "needed housing" means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels, including at least the following housing types:

- (a) Attached and detached single-family housing and multiple family housing for both owner and renter occupancy;
- (b) Government assisted housing;
- (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490;
- (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions; and
- (e) Housing for farmworkers.

ORS 197.303 applies to cities over 2500 and counties over 15,000 in population.

income workers, the elderly, single-headed households, and others to live closer-in to jobs, schools, and retail, and to age in their own neighborhoods.

Second, we are concerned that HB 4079 appears to offer a solution to affordable housing needs, but due to the expense and impracticality, will likely not result in any affordable housing being built. HB 4079 side-steps the reality of the tremendous expense required to provide the full set of infrastructure to raw land, the length of time it takes to build-out pipes and roads, and the impact paying for those costs has on housing affordability. These costs are usually borne partly by the developer/eventual home buyer or renter, and partly by taxpayers/ratepayers. The result is twofold: the infrastructure costs make it unlikely that any of the new housing will be affordable, and the costs that are spread across the existing residents will increase *their* living costs. If the public is going to spend that kind of money, it can achieve far more affordable units inside the existing UGB, where infrastructure and services already exist.

We are concerned that the lack of recognizing infrastructure costs – and the impact that will have on actual housing prices – will result in a bill that does not provide a real solution to affordable housing, but instead is a distraction from more effective steps.

There are on-the-ground examples of the flaws in this concept, from the high infrastructure costs of residential UGB expansions in Washington County and Hillsboro (North Bethany and South Hillsboro) to how much more *actual affordable housing* can be provided when land inside a UGB is upzoned. For example, Medford recently upzoned almost 500 acres inside its existing UGB from single family to multi-family, enabling the Jackson County Housing Authority to acquire land near existing infrastructure and transit corridors for affordable housing.

Let's focus on solutions where there is existing infrastructure and where people want and need to live, and stay off the land base for our thriving agricultural industry – this is a false choice. Thank you for consideration of our comments.

Sincerely,

A handwritten signature in black ink that reads "Mary Kyle McCurdy". The signature is written in a cursive, flowing style.

Mary Kyle McCurdy
Policy Director and Staff Attorney