

TESTIMONY ON HB 2007
JOINT COMMITTEE ON WAYS & MEANS SUBCOMMITTEE ON NATURAL
RESOURCES
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Chairs Frederick and Witt, and Members of the Subcommittee:

I appreciate the chance to testify today about HB 2007.

I am concerned that the debate over this bill has become so tied up in the struggles over historic districts that its other negative impacts have not been adequately discussed. Today I would like to emphasize a different perspective. I oppose the bill as written because of the harmful effects it will have on social and economic justice.

I live in inner Northeast Portland, in a highly economically and racially diverse neighborhood that is not in a historic district. Approximately 40 percent of my neighbors within a two-block radius are families of color, and roughly one-third are renters. I greatly value living in this diverse community, but the diversity is being steadily eroded by displacement due to soaring rents and home prices. HB 2007 would take that process of economic and racial displacement and turbocharge it.

By granting developers and builders a windfall in new land values, the bill as written would displace most of the remaining working-class families in my neighborhood, either through eviction or through purchases by developers, followed by tear-downs and new construction of high-priced duplexes and triplexes that will only be affordable to the top 10% of incomes. Is this really what we want?

I would invite you to engage in a brief thought exercise: If you are a builder, and HB 2007 removes the limits to building both market-rate duplexes in single-family zones and duplexes that are affordable to families making 60% of Median Family Income, which will you build? Of course, you'll build the market-rate duplex, which is highly profitable. Now, visualize a different scenario in which only the permanently affordable duplex is permitted in a single-family zone. The second scenario is an actual incentive—and that is the approach we should be taking.

HB 2007 as currently written is premised on a simplistic model of the housing market, which asserts that any additional housing units built will make housing more affordable for all. However, as an honest developer or economist will tell you, this is just not the way the housing market works. The experience of other west coast cities shows that in a context of high income inequality and massive speculative investment in real estate, deregulation and doubling down on building market-rate housing will not solve the affordability crisis.

HB 2007 as currently written takes a sledgehammer to a complex problem that demands a scalpel to solve. It represents a sweeping statewide deregulation of

zoning and planning that is likely unprecedented in the U.S. Rather than wholesale deregulation, pre-emption of local authority, and unfunded mandates, solving Oregon's affordable housing crisis demands carefully-designed incentives and thoughtful regulation.

The amendments proposed by Restore Oregon would be a major improvement over the bill as currently written—especially because they would change the building code to permit internal division of existing homes into multiple units. These internal divisions, along with external ADUs, are the best way to add density to existing neighborhoods while maintaining affordability and avoiding displacement. However, I would like to see improvements to this bill go even further to protect working-class families and incentivize true affordability. Therefore, I urge a “no” vote until these issues can be meaningfully addressed. I am certain we can do better.

Thank you.