

The attached Portland Tribune op-ed by John Liu points out some of the most egregious aspects of HB 2001. Although advocates of HB 2001 purport that it will help address the affordable housing crisis and add housing choices, it will actually do the opposite. It will reduce affordable housing choices. To add insult to injury, HB 2001 will promote rental units over home ownership. This will drastically and permanently hurt low-income residents, since home ownership is a significant factor in being able to achieve economic security. This bill will further increase the disparity between the haves and have nots.

Please read the Johnson Economics report that the City of Portland commissioned to predict the consequences of rezoning 96% of Portland's single-unit residential zones to allow up to quadplexes. The analysis showed that the most likely outcome would be an increase in demolitions and the construction of small rental units with average rents of \$1,823/month. Average rental rates for one-bedroom units are projected to increase in Portland by 35% if this approach is implemented there. This is unaffordable for people earning 80% of the median family income.

HB 2001 also does something nefarious; it negates Goal 1, Citizen Involvement in land-use planning. Currently, most Oregonians can participate in a process to determine where higher density will occur in their cities. They can protect environmental zones, take infrastructure into account, and advocate for other aspects of livability. This bill negates this process. It eliminates citizen involvement, and land-use planning itself, by mandating a one-size-fits-all residential zone everywhere, statewide.

The bill also grants attorney fees to building-permit applicants, even if their permits should be denied for legitimate reasons. This in itself should be illegal, since it will make legitimate appeals unaffordable.

Development should pay for itself. HB 2001 will delay the payment of SDC fees and this is unfair to current residents. It will stretch existing infrastructure, thereby reducing safety and other aspects of livability.

Changing the applicable building code is another reason to vote against HB 2001. The fire standards in the existing code were put in place for a reason and they should not be lessened.

Oregon's comprehensive land-use planning process requires that municipalities provide capacity for a 20-year supply of all housing types. Therefore, municipalities and the LCDC have already determined that Oregon has the required capacity for all types of housing for the next 20 years. If the demand for quadplexes across Oregon was underestimated, then this should be remedied by amending the relevant comprehensive plans. Capacity is not a factor in the lack of affordable housing; there are other market forces at play. The Committee should investigate whether quadplexes are being proposed because they represent the break point for profitable construction in Oregon's largest municipalities, given their high land values.

The fact that we are now recovering from a recession that was caused in large part by a manipulation of the housing market should not be used to give Oregon away to speculative equity funds based on unsubstantiated claims of affordability and social justice. Analysis shows

that HB 2001 will result in more Oregonians being confronted by high rents and more Oregonians being priced out of home ownership. Any proposed solution to the affordability crisis should not exacerbate the affordability crisis by locking up real estate in high-priced rental units. We need fact-based solutions that will not result in further displacement of Oregon's most economically-vulnerable residents. Rather than HB 2001, the Committee should vote for a bill that promotes affordable rents and that will increase home ownership.

Please do not approve this bill. It is too simplistic, it does not guarantee affordability, and it violates Oregon's land use goals.

Thank you,
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