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March 10, 2019

Chair Fagan
Members of the Senate Housing Committee
State Capitol
900 Court Street NE
Salem, OR 97301

Re: SB 331

Dear Chair Fagan and Committee Members:

Thank you for the opportunity to provide testimony on SB 331. 1000 Friends of Oregon is a nonprofit, membership organization that has worked with Oregonians for more than 40 years to support livable urban and rural communities; protect family farms, forests and natural areas; and provide transportation and housing choice.

1000 Friends of Oregon opposes SB 331. The bill requires local governments, when considering an expansion of their urban growth boundary (UGB), to evaluate the impacts of redevelopment and infill on existing neighborhood property values. As part of this, the bill requires an analysis of “gentrification,” which the bill defines as:

“‘Gentrification’ means the process of repairing and rebuilding homes and businesses in a deteriorating area, including an urban neighborhood, accompanied by an influx of middle-class or affluent persons that results in the displacement of earlier or poorer residents.”

This is, at best, an incomplete definition of “gentrification.” While the purpose of this bill is not clear, its purpose does not seem to be to actually address gentrification. If that were the objective, not only would this definition be very different, but the entire bill would be as well. And, the analysis would *not* be when a city is considering a UGB amendment, but rather would involve an ongoing assessment and implementation of inclusive and equitable policy, process, and investment tools.

For an actual study of gentrification, including tools to mitigate it, we direct the Committee to the study done by Dr. Lisa Bates of Portland State University for the city of Portland, titled *Gentrification and Displacement Study: implementing an equitable inclusive development strategy in the context of gentrification*.¹ Dr. Bates is recognized as a national expert on this subject.

As described there, gentrification primarily relates to residential displacement but can also include commercial and business space. “[G]entrification is fraught and conflicted, particularly as it relates to

¹ Prof. Lisa K. Bates, Portland State University, May 18, 2013, accessible at: <https://www.portlandoregon.gov/bps/article/454027>

race and historical disinvestment.” The causes for neighborhoods being vulnerable to displacement cannot be separated from the racial segregation and discrimination and economic inequities of our past and present. Consequently, neither can programs to avoid or mitigate involuntary displacement. Public investments that can improve the lives of current residents – such as transit investments – can also cause the economic displacement that means current residents are not able to benefit from that transit in the neighborhoods in which they have long lived. As Dr. Bates described,

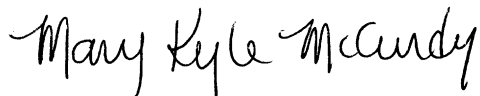
“The concept of inclusive, equitable development is to improve neighborhood livability, while working to ensure that new development and neighborhood change does not disproportionately impact current residents. The approach is to match the tool(s) to specific stages of gentrification and the type of public investment that is being made.”²

Tools to address displacement include using “an inclusive development paradigm with a racial/ethnic equity lens,” and recognizing “how public investments affect the private market.” Examples are community benefit agreements between developers and surrounding lower income communities, inclusionary housing, Community Impact Reports for major publicly-funded projects, and more.

Comparing the community affordability impacts of infill and redevelopment versus a UGB expansion would similarly involve a much more robust analysis than is in the bill, and would include the relative costs of infrastructure, transit provision, and more. Again, there are many reports on this, including actual development data from Oregon.³

None of this is in SB 331. We urge you to not support the bill. Thank you for consideration of our comments.

Sincerely,



Mary Kyle McCurdy
Deputy Director

² Id., p. 5.

³ *Housing Underproduction Oregon*, produced by ECONorthwest for Up for Growth, 2018. Accommodating growth through more compact development “supports \$13.3 billion in additional net local revenue compared to” accommodating growth through more land consumption. (page. 21) See also, *More Extensive is More Expensive*, <http://www.friends.org/infrastructure>