

SB 5512: Oregon Housing and Community Services Budget

Written Testimony from Mary J Jones, Founder & President of Nestucca Ridge Development, Inc., Pelican Brewing Co., and Kiwanda Hospitality Group in Pacific City, Oregon:

Dear Co-Chair Gomberg, Co-Chair Manning, and members of the Ways and Means Subcommittee on Transportation and Economic Development:

Please consider this testimony as strong support of SB 5512 which includes funding for much-needed assistance in solving the workforce housing problem in the form of the Greater Oregon Housing Accelerator.

On the Oregon Coast, we are suffering from a severe shortage of workforce housing. This lack of housing is not confined to low cost housing needs, it is a shortage of availability at all levels and results in difficulty with hiring and retaining qualified employees in all of our businesses. In our family of companies, we employ over 400 people for jobs between Pacific City and Cannon Beach, in a broad range of positions and pay levels. Examples of problems we face are:

- 1) Inability to bring new people in for positions: We may make an employment offer which a qualified prospect accepts, but because they cannot find housing within a reasonable commute, they ultimately turn down the job opportunity.
- 2) Inability for existing staff to find the next level of housing: As our team members grow in experience, abilities and pay level; or perhaps their family situation changes (they get married or have children), they are unable to find the next level of housing for their new circumstances. This causes us to lose good employees as they become dissatisfied with their housing and decide to look for a new position in another area.

There are many contributors to the shortage of housing we now face.

- One issue is that we have very little land properly zoned for multi-family housing, and the process for changing zoning is daunting at best and simply unachievable in many cases. I believe that there are a number of properties that would be very suitable for workforce housing, but are not available for that use due to zoning issues.
- Another issue is the extremely high cost of building in our area, which causes newly constructed projects, designed specifically to meet the needs of workforce housing, to be financially difficult and/or unsustainable.

Our company is extremely fortunate to be a small part of Governor Brown's pilot project initiative which provided a grant to assist with construction cost for 12 units of housing in Pacific City. Our grant is specifically for Systems Development Charges for Water & Sewer services in our area. This is a great example of an issue that causes a project to be financially unsustainable - because the rental income is not enough to provide a positive cash flow and therefore, it is too risky to obtain the financing and investment necessary for such a project. This grant is a great example of collaboration to solve a problem in our local community which will have great economic benefit in the long run for our County and our State.

The long term success of our businesses will be affected if we cannot solve this problem. Lack of qualified employees affect our ability to provide the right level of services and products to our customers, which ultimately affects whether or not they will feel they received value for their money, or will return to our area.

I urge the passing of SB 5512 and implementation of the Housing Accelerator as quickly as possible. Thank you for this opportunity to provide testimony.