



May 22, 2019

Joint Ways and Means Committee
Oregon State Legislature
900 Court St. NE
Salem Oregon 97301

Dear President Courtney, Speaker Kotek, Senator Johnson, Senator Steiner Hayward, and Representative Rayfield:

In every city in the state, neighborhoods with a variety of housing options are essential to maintaining a thriving regional economy. Our employees, our neighbors, and our family members need to have choices to rent or buy homes at a variety of sizes, configurations, and price points. The members of Business for a Better Portland recognize that high housing costs and restricted access to neighborhoods near jobs, parks, schools, and grocery stores limit our ability to attract and maintain talent. That's why we are writing today to support HB 2001.

It's not just Portland that needs more housing options. Sherwood, Medford, Eugene, Astoria, Bend, and other communities across the state all face a housing affordability crisis. Just to catch up to existing demand, let alone future housing needs, Oregon must add 150,000 more homes, according to a recent report from Up for Growth. And where these homes are located is just as important as how many are built.

Research from Raj Chetty, professor of economics at Harvard University and the featured speaker at last year's Oregon Leadership Summit, suggests that changes to residential zoning that provide opportunities for more people to live in amenity-rich neighborhoods can significantly increase lifetime earnings for children from low-income families. By allowing more housing options in existing residential neighborhoods, HB 2001 will make it easier for nonprofit developers to build needed regulated affordable housing in these amenity-rich neighborhoods and also create more market-rate housing options for Oregonians of all incomes.

Research by Cascadia Partners, a private sector developer of market-rate residential housing, shows that the current combination of market forces and zoning regulations incentivize developers to build large single-family homes at the high end of the market (affordable only to those earning 140-250% of area median income). Re-legalizing more neighborhood-scale housing types would allow builders (developers and homeowners alike) to create housing that is affordable to people making 70-120% of area median income. This sector of the population is currently being squeezed by a tight housing market. Under existing conditions, middle-income earners are forced to compete with lower-income earners for the scarce commodity of housing,

driving prices up even further. HB 2001 would increase the supply of middle-range housing, relieving pressure throughout the market.

In addition, HB 2001 would allow cities to maximize their own investments in infrastructure by giving people better access to the urban amenities that make neighborhoods desirable in the first place: sidewalks, transit, parks and services. By allowing more people to live closer to their jobs, HB 2001 can help slow the growth of traffic congestion and generate more value from investments in our transportation system.

We know that our businesses can only thrive when our communities thrive—and our communities are struggling to find the housing they need. By updating residential zoning in cities across the state, we can allow employees to live near their jobs, teachers to live near the schools where they teach, and grandparents to live near their grandchildren. Doing so won't just preserve the character of our neighborhoods, it will make that character stronger.

Thank you for the opportunity to share our support of HB 2001.

Sincerely,

A handwritten signature in black ink that reads "E Ashley Henry". The signature is written in a cursive, flowing style.

Ashley Henry
Executive Director
Business For a Better Portland