



House Committee on Economic Recovery and Prosperity

900 Court Street

Salem, Oregon 97301

Chair Lively and Members of the Committee,

We are writing to urge your opposition to HB3040 with the -1 amendment. We'd like to make three points.

- 1) **This legislation will likely increase costs for existing city residents, including seniors and those on fixed incomes. By forcing cities to fully build out infrastructure for new privately built housing developments before receiving payment for these investments, existing city residents, including seniors and those on fixed incomes will be charged the full cost of new residents, with no guarantee that those funds will be repaid. For instance, during the 2009-2012 downturn, our cities had dozens of housing developments which had been readied for construction - - including sidewalks, streets, sewer/water, and other infrastructure - - and then went into bankruptcy and foreclosure. In such cases, city residents would be left holding the bag.**
- 2) **Our cities already have flexible and variable systems for SDCs and have done so with clear input from our local residents, citizens, and the development community. Our rules are transparent, and changes are implemented through a public process that includes clear notice, and the opportunity for all parties to testify. Residents, planning commissions, and elected city councils make decision that reflect the interests and the needs of the community. Crafting a one size fits all system prevents city residents from building a structure that meets local community needs, including that of housing affordability for existing and new residents.**
- 3) **Nothing in this bill will reduce the cost of housing. Delaying the timing of SDCs does not reduce costs. Studies at the OHCS are unlikely to uncover "unnecessary" costs imposed by cities. Infrastructure costs are infrastructure costs. Instead, the amendment as written will likely only inflame home buyers, who get to closing and suddenly and perhaps unexpectedly find SDC charges on the closing documents.**

The -1 amendment to HB3040 is not a solution to the housing affordability issue. It is misleading, will saddle existing city residents with higher costs, and lead to confusion among new homebuyers. As a result we would urge your strong opposition to this legislation.

Sincerely,

Mayor Richard Ladeby, Chair

Central Oregon Cities Organization