

Honorable Committee members:

Please note Senator Floyd Prozanski's submitted explanation of why he voted "No" on this bill.

It is counterproductive to broader, more effective means of encouraging home ownership on small lots with small homes.

- a) HB 2001 Row Houses and Cottage Clusters provide a fairly broad mechanism
- b) A simple measure to allow/encourage/require provisions for creating new small lots would be more cost-effective, more within the financial means of small, local home builders, and would better integrate as infill with respect to infrastructure and public service.

In a more general sense, the notion that the whole, one-fits-all, blanket deregulation of fully built-out, older (nominally) "single-family" neighborhoods is going to improve affordability is unsupported by any credible evidence.

Even the City of Eugene planners who have drunk gallons of the "middle housing" Kool-Aid acknowledge there is no supporting evidence. I recently submitted a series of questions to the Eugene Planning Division staff who are responsible for implementing the State mandates to deregulate "single-family" zones. Here in concise form are the questions and substance of the responses:

* Which provisions, if any, in the Eugene zoning code are "Racially Exclusionary"? None were identified.

* How are truly "housing-cost burdened" households distributed among HUD's income categories? (From posted census data) 95% or more of "housing-cost burdened" are "Low-Income" (80% or less of Area Median Income, "AMI") or lower. And most of these households are "Very Low Income" or Extremely Low Income. There is no shortage of housing that is affordable to households with income of at least the AMI.

* Can market-rate "middle housing" produce dwellings that are affordable to "Low-Income" households? No.

* What local and applicable evidence is there that market-rate "middle housing" will have a "trickle down" effect that would lower housing costs of "Low-Income" households? No evidence was identified.

* What local and applicable evidence is there that market-rate "middle housing" will have a "filtering" effect that would lower housing costs of "Low-Income" households? No evidence was identified.

* What analysis has been done of the potential for upzoning "single-family" neighborhoods that allows market-rate "middle housing" to cause an increase in demolition of lower-cost housing and displacement (by rising costs) of Low-Income households? No analysis has been done.

* What analysis has been done on how maximum floor area and maximum bedroom standards would effect the average rental costs of market-rate "middle housing" (e.g., comparing the rent for a 700 s.f., 1 bedroom apartment rent to the rent for a 1,500 s.f., 3 bedroom apartment)? An ECONorthwest study for Eugene indicated a substantially lower rent for smaller apartments.

Notwithstanding these responses, the Eugene Planning Division staff is pushing for extreme levels of deregulation, which will lead to the most expensive market-rate "middle housing" and the greatest levels of displacement.

SB 458 will simply fuel the ongoing takeover of single-family homes by huge, private equity funds, such as Blackstone Group. Please become informed of the rapid and predatory strategies of these funds to "securitize" rental income streams, including from single-family homes, mobile home parks and small to large apartments.

Thank you,

Paul Conte