

The League of Women Voters of Oregon is a 102-year-old grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

February 24, 2022

To: Senate Committee on Rules

Senator Rob Wagner, Chair Senator Tim Knopp, Vice Chair

Members of the Committee

Re: <u>SB 1537</u> with <u>-2 amendment</u> –Creates Unnecessary Task Force with Burdensome Requirements on Agencies When Providing Fiscal Impact Statements - **Oppose**

The League of Women Voters of Oregon engages in multiple agencies' rulemakings after the legislature passes laws in which we had engaged during passage. We have positions in support of our land use planning program and positions addressing housing needs. We note for this Committee that the League has engaged in this bill since its posting. We reached out to all the members of the Senate Committee on Housing and Development and talked with the Homebuilders. We provided testimony posted on OLIS on the original bill as well as provided verbal testimony on that bill on Feb. 7 explaining our opposition. We have provided testimony on the -2 amendment on OLIS for today's hearing.

We recognize that Oregonians need housing of all price ranges—with 45% of units needing significant public subsidy. We supported HB 2003 (2019) that now requires larger cities to do a new Housing Needs Analysis on a regular schedule and that those jurisdictions consider a range of Housing Production Strategies to assure all price ranges and population demographics are allowed to be built. League members served on the HB 2003 rulemaking committee and supported adoption of these important implementation rules.

When the Homebuilders submitted this bill for consideration, we read with extreme interest. They are the builders of market rate housing. Unfortunately, much of the "market rate" housing we are seeing today is really out of reach for many of the people living in our communities and well above 150% Area Median Income (AMI). A recent comment by Sam Khater, chief economist for Freddie Mac, that the number of Starter homes under construction have declined significantly, from 40% of homes built in 1980 to 7% in 2019 is informative related to the kind and price range of housing needed.

Since the federal government significantly reduced their assistance to finance infrastructure in the 1980s and Oregonians passed Property Tax Limitation Measure 5 in 1990, local governments have asked the development community to help pay for increases in infrastructure needs related to new development. Those costs have been one reason for the increase in the end cost of housing. Infrastructure costs have also slowed the development of new lands added to city limits or Urban Growth Boundaries. For that reason, the League has advocated for an increased investment in infrastructure this session-investments that would help decrease the cost of housing.

SB 1537 with the -2 amendment proposes a Task Force of limited membership considering that the charge in Section 1 (3) is SO broad as to require significant research and needs input from an unnamed number of state agencies that may be involved in housing costs without the converse conversation around benefits of the proposed rules, not only to the eventual home owners but to the surrounding community.

We support opportunities for the Homebuilders to creatively use a variety of lots for duplexes and cottage units. We supported the opportunity for these new units to be able to be sold as individual units so that young people can begin to build equity or older people can afford to downsize into a home that fits with

their needs. Local governments are required to allow conversion of older homes into duplexes, triplexes or fourplexes so that we don't lose older homes to a "tear down" mentality. We recognize that older homes ARE often a community's "affordable" homes.

We look forward to working with the bill's sponsors during the interim to find real answers to providing what is known as "workforce housing"—at 80-120% of AMI, as well as continuing our support for public assistance for the 45% of units needed in all parts of Oregon.

This legislature can make a real difference in housing costs and opportunities for buildable lots this session by investing in water and sewer infrastructure projects as you did in 2021, including with the septic and water well programs for rural Oregonians.

Thank you for the opportunity to discuss this legislation. We ask that you not pass SB 1537-2.

Rebecca Gladstone President LWVOR

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