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On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure: SB1051

Oregon is in the midst of a housing crisis. Urban growth boundaries are one of the primary reasons for a lack of housing development - particularly affordable housing development - throughout the state. Additionally, UGBs exacerbate income inequality, social stratification, and have a disparate impact on communities of color.

While efforts to increase housing density on available land are laudable, Oregonians deserve choices in their housing decisions. Not every family wishes to raise their children in a densely-populated urban core, and there are valid concerns about the impact that an emphasis on higher-density development has on crime rates, mental health, displacement, and gentrification.

Additionally, infill development typically involves a more complex construction process, additional regulatory hurdles, and due to neglect or prior use these sites often require significant environmental cleanup before housing can be built on them. The environmental review process required to maintain affordability through the use of housing vouchers is incredibly time consuming. All of this significantly adds to the cost of development, which makes the housing that is ultimately built there less affordable.

By artificially constraining the supply of buildable land through tools such as UGBs, scarcity is created. The limited supply of buildable land becomes more expensive. This encourages the development of more expensive housing in order to justify the higher land cost. When builders are incentivized to build higher-end housing in order to make a profit, the production of affordable and diverse housing options suffers. Less land available for all types of development prevents overall housing supply from keeping up with increased demand for affordable housing.

As land and housing prices rise because of our UGB restrictions, lower-income residents are often priced-out of their neighborhoods when wealthier families eventually move in. This forces lower-income households, often from communities of color, to seek more affordable housing outside of the UGB. This increases their commuting costs and reduces their access to urban amenities or services they may desire. Social cohesion suffers. Ironically, UGBs have actually led to greater amounts of sprawl and traffic problems in the state because low-income residents have been forced to flee to cheaper communities to live and then commute into town for employment. This displacement may also reduce access to employment opportunities, public transportation, healthcare, education, and other essential services. Unequal access to these resources and opportunities reduces upward

mobility.

In many parts of the state, "exclusive farm use" property located just outside city limits has not seen crops planted on it or livestock set foot on it in decades. Urban reserve property has often sat untouched and ignored for years. The owners of this property are, however, prevented from selling it to developers who wish to develop the land for housing that the residents of these cities are clamoring for. The laws of supply and demand are stifled.

SB 1051 is not perfect, but neither is our system of land-use laws. The ability to develop housing on large swaths of land immediately adjacent to cities without having to navigate a broken and hostile land use system will do wonders for the production of needed housing throughout the state. Only by making it easier for developers to add housing units to communities will home prices begin to become affordable to families in the workforce of those communities. SB 1051 will not increase sprawl as its detractors will argue. Rather, it will make it possible for homes to be built and people to live in the communities where they work. We should all be so lucky to have that opportunity.