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February 6, 2024

Representative Dexter, Chair  
Representative Breese-Iverson, Vice-Chair  
Representative Gamba, Vice-Chair  
House Interim Committee on Housing and Homelessness  
Oregon State Legislature  
Salem, OR 97301

RE: Letter in support of House Bill 4134: Housing Oregon's Workforce (HOW)

As Mayor of the City of Carlton and in solidarity with our fellow small cities named in this proposed bill, I enthusiastically support the intent of House Bill 4134: Housing Oregon's Workforce.

In the last decades, our small cities have experienced dramatic growth in numbers of higher-income residents seeking escape from the high cost of living and perceived social decline of large cities. With this urban flight has come escalating housing costs, partly due to housing demands in small communities with already limited housing.

Because our smaller communities have been struggling to provide even the basic services without increasing costs to an already financially challenged population, improvements or additions to such infrastructure as water delivery and wastewater treatment and disposal have been put off rather than burdening our neighbors with increased service fees to improve marginally adequate systems.

The cities recognize adequate and safely functioning infrastructure is the foundation for growth in any community, and yet the costs of installing new, or upgrading existing infrastructure are so high for most of Oregon's small cities that we're unable to finance the improvements and expansion needed and still enable developers to offer any moderately priced workforce housing. Instead, housing costs escalate until there is no affordable housing available in our communities for families of moderate or low incomes...our workforce, seniors, and young families.

Oregon's small, rural communities are struggling to meet the consumer demands and the legal requirements this unprecedented growth has generated, but the only way they can do this is to increase the already high costs of infrastructure development, which developers will pay for by increasing housing costs, which makes affordable housing non-existent.

The funding request in HB 4134 for the city of Carlton alone would allow us to extend and upgrade our water and wastewater lines to a currently unserved area of town that is appropriate for development. HB 4134 is different than other housing and infrastructure proposals because:

- Shovel-readiness requirement ensures housing is up within 60 months of fund dispersal. We are in a housing crisis. This bill ensures we can timely respond to that urgent need.

- It's a public-private partnership: cities have developers who are ready to go with building and are willing to keep 30% of the units at the workforce level of affordability.
- Direct allocation prevents funds from getting held up in a grant process.
- 30% of units built will be available for workforce: **130% or less AMI**. Which is inclusive of the workforce that supports and grows our communities – our teachers, firefighters, and more.

On behalf of all of the cities named in HB 4134, this is a proposal that demonstrates HOW we can help our small cities do what we have shown before that we are capable of doing: growing our cities with a careful, mindful approach that preserves our community, helps solve the housing crisis, and reinforces the story of our state as one of opportunity for all who live here.

Respectfully,

A handwritten signature in black ink, appearing to read "Linda Watkins". The signature is fluid and cursive, with a long horizontal stroke at the end.

Linda Watkins, Mayor  
City of Carlton