

Thursday, February 8, 2024

## **Please Remove SB 1537 Sections under “ONE-TIME SITE ADDITIONS TO URBAN GROWTH BOUNDARIES”**

Chair Jama, Vice Chair Anderson, Members of the Committee:

My name is Nellie McAdams and I respectfully urge you to remove Sections 48 - 60 under “ONE-TIME SITE ADDITIONS TO URBAN GROWTH BOUNDARIES” from SB 1537.

This is an otherwise good bill that will provide needed housing to Oregonians, but this set of provisions are not only unnecessary, they are harmful to the production of housing (especially affordable housing) in Oregon. At the same time, they permanently destroy farmland at the edges of cities that we need for rural economies, food, and climate resilience.

### **Unnecessary**

These provisions are unnecessary because:

- Oregon has well over 10,000 acres of unbuilt residential acres already inside cities' UGBs. That's not counting under-developed areas or areas that would support infill under the celebrated HB 2001 housing production strategies.
- We already have a UGB expansion process that requires demonstration of need and that *works*; 95% of UGB expansion requests are granted - 80% within 1 year.
- Other states without land use planning that welcome sprawl also have affordable housing shortages. Idaho (which has minimal land use planning compared to Oregon) only had 38 affordable units per 100 households with extremely low incomes in 2023. That shortage has been getting worse despite the housing boom that's gobbling up land in the fertile Treasure Valley.

### **Harmful**

The provisions are harmful because:

- They siphon needed infrastructure dollars from inside existing UGBs where it's desperately needed. Greenfield infrastructure is expensive: Hillsboro's November 2023 expansion by 200 acres into an Urban Reserve will cost them \$370M in infrastructure bonding, which they admit they cannot pay off in 20 years.
- Oregon has a housing shortage, but 95% of the needed housing is for low- and moderate-income Oregonians, and this is not the type of housing that would be built in any sufficient amount in these UGB-busted areas. The provision allows rental units for 80% AMI or housing for 130% AMI. 130% is pretty much market rate housing, and developers will opt to build that.
- The legislature passed the groundbreaking HB 2001 in 2023 which would require cities to inventory existing housing, plan for needed housing at diverse income levels, and accommodate that housing *inside their existing UGBs*. This would actually result in housing at needed income levels. Giving cities and developers an alternative way to build housing under SB 1537 that's more beneficial to developers and less beneficial to

municipalities, home buyers, and taxpayers only disincentivizes the use of HB 2001 before it's even begun.

**Permanently Destroy Farmland**

And they will permanently destroy high-value farmland. The provisions say that housing can only be built on urban reserves, non-resource and, or exception area, but almost most of this land is zoned for Exclusive Farm Use until cities are able to demonstrate a need for incorporating them for residential or other uses.

The only ones who benefit from these provisions are developers who get to buy land for cheaper than in cities, sell it for more, and leave cities with the initial and ongoing infrastructure costs. Developers' margins are not a public benefit, and the public costs of this giveaway are too detrimental and expensive.

For these reasons and more, I urge you to amend the bill to remove the unnecessary and harmful UGB-Busting section from the bill.

Thank you for your service and your consideration,

Nellie McAdams