

This reads like a developer empowerment bill that will allow them to force cities to approve sprawling suburban McMansions developments in the name of affordable housing. there need to be much steeper requirements to make sure any UGB expansions are actually used to build affordable housing. The reality is that building expensive homes is a lot more profitable and, without regulations to require it, available land is going to be used for the most expensive house possible. This bill essentially provides subsidized housing for the poor, profitable McMansions for the rich and leaves the middle market where most people are still spending more than they can afford. on housing.

I suggest the following amendment to language in Section 55 on page 32 of the introduced version:

"(4) A city may require greater affordability requirements for residential units than are required under subsection (3)(f)(A) of this section, provided that the city significantly and proportionally offsets development costs related to:"

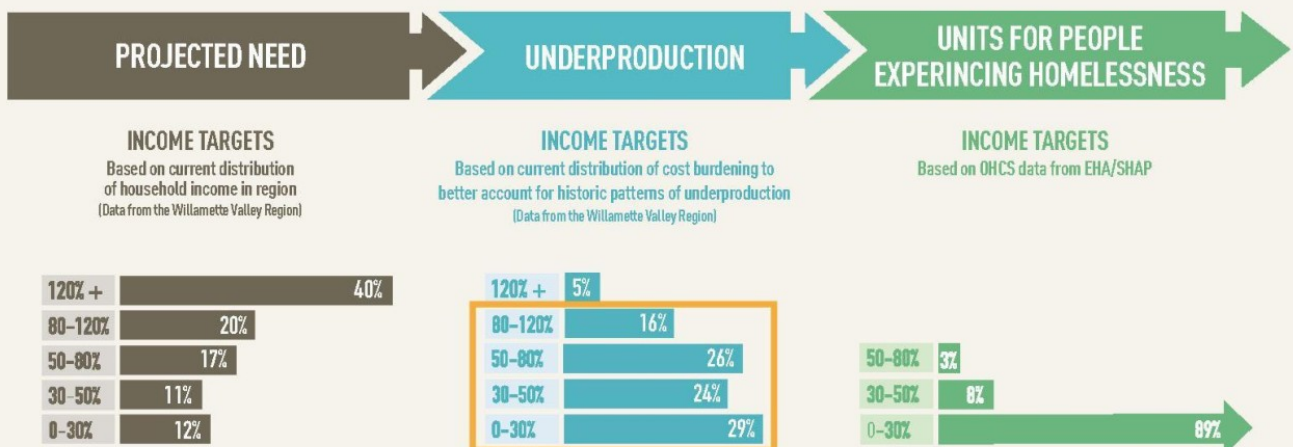
should be changed to

*"(4) A city may **not** require greater affordability requirements for residential units than are required under subsection (3)(f)(A) of this section, **unless** the city significantly and proportionally offsets development costs related to:"*

The meaning is the same, but the suggested change makes the effect of the section clearer. It is a limitation on the ability of cities to use the land they bring into the UGB under this bill to meet their future allocation for addressing the state's housing shortage. As I understand it, every city is going to receive a "fair share" allocation of the housing needs at various income levels and are supposed to develop a plan for addressing those needs.

Rather than limiting cities' ability to use the UGB expansion for workforce housing as opposed to expensive market rate housing there ought to be a requirement that 95% of the housing built be affordable to a majority of Oregonians. This is where the actual housing shortage is with a very small shortage (5%) for households with incomes in the top 40%. Making affordability the real focus will also reduce the size of any UGB expansion needed since smaller houses with smaller lots are going to allow creation of more housing on the same footprint.

Exhibit 4. Overview of RHNA Income Distribution Method



SOURCE: ECONorthwest, 2020
NOTE: MFI is Median Family Income