

Submitter: Ramsay Weit

On Behalf Of:

Committee: Senate Committee On Housing and Development

Measure, Appointment or Topic: SB1521

Chair Pham, Vice-Chair Anderson, and Members of the Committee:

I guess I'm writing in opposition to this Bill, but I may misunderstand its intent, beyond increasing the production of more affordable housing at the cost of increased financial contribution from local governments.

Over the past years, many of us advocated for the policy of inclusionary zoning (aka inclusive housing), requiring a certain portion of new housing developments be dedicated to low-income tenants. Part of the cost of this policy was imposed (yes) on any for-profit developers building housing, frequently in high opportunity areas. Sadly, the development community, anticipating the implementation of this policy, filed their prospective permits days before the policy came into effect. It was a disappointing reaction from "the market", but perhaps understandable economically.

Nonetheless, as I understand the intent of this Bill, there would now be a prohibition on local governments implementing an IZ (or IH) policy without the local government covering whatever costs the developer asserts are incurred by providing the affordable units. Regardless of how you feel/felt about the wisdom of the original policy, the proffered solution seems to undercut the fundamental premise of that policy by asking local governments, i.e. taxpayers, to provide whatever subsidy is needed to produce those affordable units beyond what costs the developer would incur for their original "market rate" project. Philosophically, this runs contra to the original policy which intended there be cost-sharing in the effort to expand the supply of affordable housing. If a City, such as Portland, decides to provide some subsidy, such as tax abatement, that clearly is their choice, but it may not be enough to cover all the attendant costs.

I understand the argument is that more units will likely be built if local governments offer offsetting subsidies. That seems rather obvious: if you agree to give me financial support to cover my increased costs and risks to add affordable units in this proposed project, I'll be glad to do it. But that is not what inclusionary zoning/housing was set out to do.

Let local governments decide if and how they want to participate in providing subsidies and/or incentives to supplement an IZ policy, as opposed to prohibiting them from adopting an IZ policy unless they offer a complete offset to alleged increased costs. The proposed Bill doesn't reflect the original concept of inclusionary zoning and IMO shouldn't be invoked by the reference.

Sounds like I'm opposed to SB 1521.

Thank you for your work.

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