

Submitter: Philip Higgins

On Behalf Of:

Committee: House Committee On Housing and Homelessness

Measure, Appointment or Topic: HB4035

Strong Support for HB 4035 – Expanding Urban Growth Boundary Flexibility

I write in strong support of HB 4035, which expands eligibility criteria to allow more Oregon cities to utilize the one-time Urban Growth Boundary (UGB) expansion pathway established in 2024.

Oregon's cities—regardless of size—desperately need expanded buildable and industrial land inventories. Our state faces compounding crises that share a common root cause: insufficient land available for development.

Industrial Competitiveness: Oregon significantly lags behind the nation in industrial site readiness. According to the Oregon Business Development Department, the state has less than a one-year supply of available industrial land in many regions, while economic development experts recommend maintaining a 15-20 year supply. Communities compete for family-wage manufacturing and logistics jobs, but lack the prepared sites to attract these investments. States like Texas, Tennessee, and North Carolina are capturing projects Oregon cannot even compete for due to our land constraints.

Housing Affordability Crisis: Oregon's median home price has increased by over 60% in the past decade, far outpacing wage growth. The Portland metro area's median home price exceeds \$550,000, while mid-sized cities like Bend and Eugene have seen similar spikes. Rents have similarly escalated beyond the reach of working families. The fundamental issue is supply: we are not building enough housing units to meet demand, and restrictive land availability is a primary bottleneck.

Homelessness Emergency: Oregon now has one of the highest per-capita homelessness rates in the nation. While homelessness has multiple contributing factors, the lack of affordable housing—driven by insufficient residential land and construction—is central to this crisis.

All of these challenges trace directly back to Senate Bill 100 (1973) and Oregon's land use system, which has remained largely unmodified since 1976. While SB 100's original goals of farmland and forest preservation were laudable, the system has become inflexible and unable to adapt to modern economic and demographic realities. Cities face years-long processes to expand UGBs even marginally, while housing needs and economic opportunities demand timely responses.

HB 4035 provides needed flexibility without abandoning land use planning principles. By expanding eligibility for streamlined UGB expansions, this bill allows more communities to respond to their residents' and businesses' needs while maintaining orderly development.

Oregon's cities need the tools to build prosperity and provide housing security for their residents. I urge your support for HB 4035.