



June 12, 2019

Transportation and Economic Development Subcommittee, Joint Ways &
Means Committee
State Capitol
900 Court Street NE
Salem, OR 97301

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Executive Director
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Dear Co-Chairs Sen. Manning and Rep. Gomberg and Committee Members:

Oregon Smart Growth appreciates the opportunity to offer testimony on HB 2001A. We are a coalition of developers, investors and allied professions committed to the feasible development of walkable, livable communities that are environmentally, socially and economically sustainable.

Oregon Smart Growth strongly supports HB 2001A with the -16 or -21 amendments as part of a comprehensive approach to address the housing needed across our state.

This is an approach that *must* include increased housing supply, reduced development barriers, broader assistance to local jurisdictions, and more funding for deeply affordable housing and support services that the private sector simply cannot build.

The *Underproduction of Housing in Oregon Report* determined that there is an existing 155,000 shortage of housing due to underproduction during the Great Recession and increased demand as more people come to Oregon to make their homes, start their families and build their dreams. Increasing the housing options available in what are now solely single detached house zones is an important part of the comprehensive approach Oregon needs.

EcoNW has done significant research on how re-legalizing duplex, triplex, quads and cottage clusters in single family dwelling zones hits a sweet spot that maximizes the benefits of additional housing options at the most affordable market price points to rent, purchase or develop, while leveraging existing infrastructure.

In addition, their analysis of the benefits of access to high-amenity neighborhoods for Up for Growth, posted on OLIS, graphically makes the case that housing opportunities equal economic mobility. They found that children in families with the lowest quartile of income but raised in high amenity, exclusively zoned for single family homes between 1989 and 2015, have higher economic mobility than those raised in less amenity-rich neighborhoods.

The A-16 amendment improves the bill in several areas:

- First, it gives local jurisdictions flexibility to determine what type of middle housing is suitable on any given lot, and only require duplexes be re-legalized in smaller cities outside of Metro.

- Second, it allows local jurisdictions to regulate parking, siting and design standards, so long as the cumulative effect does not make middle housing infeasible to build.
- Third, it provides timeline extensions in cases where current infrastructure can't adequately serve middle housing.
- Last, the A-16 provides for \$3.5 million in technical assistance grants to help implement the bill provisions.

Oregon Smart Growth opposes the A-22 amendment, as it will simply ensure that status quo of exclusively single-family development, without delivering affordability at the proposed 80% median family income. In its *Reconsidering Single Family Zoning* post on December 12, 2018, (<https://oregoneconomicanalysis.com/2018/12/12/reconsidering-single-family-zoning/>), the Oregon Office of Economic Analysis estimated that Oregon needs to build 30,000 new housing units per year to meet the state's current housing deficit and for future population growth. However, Oregon permitted a little more than 20,000 housing permits in 2017, a number that dropped in 2018.

Building housing affordable to those at or below 80% AMI almost always requires a public subsidy. Yet Oregon cannot meet the housing needs of all its residents based on publicly subsidized housing—subsidies that should focus on deeply affordable housing. Local jurisdictions and the state have tools and funding to incentivize and support deep affordability, but they cannot produce the number of units needed statewide.

The choice is whether we re-legalize the middle housing needed by middle income Oregonians, or we continue to allow *only* single-family homes to be built.

Members of the Subcommittee, Oregon is well overdue to re-legalize middle housing. Every neighborhood must do its part to help meet the housing needs of Oregonians, especially those with great amenities and services.

I urge your support of HB 2001A with the -16 or -21 amendments and oppose the A-22 amendment.

Sincerely,



Gwenn A. Baldwin
Executive Director