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February 11, 2022

House Committee on Housing  
Oregon Capitol  
900 Court Street NE  
Salem, OR 97301

**Re: Opposition to House Bill 4118 and Amendment 1 to House Bill 4118**

Chair Fahey, Vice-Chairs Campos and Morgan, and members of the committee,

Thank you for the opportunity to provide testimony on HB 4118, **to which Central Oregon LandWatch is in strong opposition**. For 36 years, Central Oregon LandWatch (COLW) has been working to create well-planned cities and protect wild, open spaces across the region. Leveraging our legal expertise, policy analysis, and experience with Oregon's land-use planning system, we work to guide development where it makes the most sense. For COLW, that means closely monitoring initiatives that look to bypass land use laws and expand into important, protected land outside of the UGB, as is the case with HB 4118 and Amendment 1 to HB 4118.

The lack of affordable housing in Central Oregon is a critical issue, and the initiative to implement a low cost, specified workforce housing supply is admirable. The approach proposed by HB 4118 to provide this housing supply, however, is flawed in four fundamental ways: 1) the bill disrupts the public land use process, 2) the expansion into urban reserves is not based on need, 3) the bill does not consider land within the UGB, and 4) the bill inadvisably places workforce housing away from jobs and services. The proposed amendment goes even further— it creates an entirely new bill that ushers in all of the issues above via a Task Force that adopts a scope and depth inappropriate for any one task force and places critical land use decisions in the hands of a few interest groups in a manner that directly conflicts with the guidance and each county and city's codification of Statewide Planning Goal 14. As such, COLW is in strong opposition to HB 4118 and Amendment 1 to HB 4118.

This testimony will first address HB 4118 as it is written, and will then address the robust changes introduced by Amendment 1.

**HB 4118 bypasses land use laws that have been in place for almost 50 years.** The adoption of SB 100 in 1973 introduced 19 Statewide Planning Goals that shape the face of planning and the land use process in Oregon today; the requirements set out in Goal 14- Urbanization, are undermined by the provisions of HB 4118. Goal 14 requires cities to carefully plan their growth by designating Urban Growth Boundaries, a public process with the chance for widespread public input. Every incorporated city in Oregon underwent this process, and has a clearly designated UGB, with urban reserves identified to accommodate *future* growth, *after* the 20-year buildable land supply within the UGB is at capacity. The Department of Land Conservation and Development explains that “urban reserves provide guidance for a city’s long-term future and protect the urban reserve area from rural development which would make future city expansion more difficult.” HB 4118 looks to tap into this land now, undermining a City’s ability to thoughtfully expand in the future—the entire point of urban reserves. The bill would allow private landowners to request UGB expansions into the urban reserves, bypassing the public process and the land use laws that govern UGB expansion that has been the foundation of our land use system.



WE DEFEND AND PLAN FOR CENTRAL OREGON'S LIVABLE FUTURE



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**UGB expansion must be based on need; HB 4118 allows expansion into urban reserves for a housing supply that is not proven to be based on need.** For a city to amend and expand its UGB under current land use laws, it must satisfy Goal 14's "Land Need" section, which looks to tools like a Housing Needs Analysis (HNA) and reference to a Buildable Lands Inventory (BLI) to show that the available land in the UGB cannot meet the housing needs demand, thus justifying an expansion. These elements ensure UGB expansions are based on facts and data for accommodating growth while preserving other Oregon values, like farmland preservation, creating livable communities, combating climate change, and protecting open space. This bill ignores all of these values and the appropriate channels for expanding a UGB for no apparent purpose, as the same housing can be provided within UGBs.

**HB 4118 does not consider placing the workforce housing supply on existing land or suggest extending the same provisions to land already located within the UGB**

If landowners had to prove a need for land for housing as discussed above, it would demonstrate that HB 4118 "workforce housing" and "workforce commercial"-- housing and infrastructure that is critically needed-- should occur on buildable land within the UGB. COLW asks why these housing initiatives cannot occur on the land designated for growth in the UGB, planned through a thorough Comprehensive Plan process, thus leaving the urban reserves for their intended purpose-- accommodating growth, through public land use law processes, in 20+ years when the current UGB is at capacity. UGBs are carefully determined, and all efforts for affordable housing should be concentrated within their bounds.

**HB 4118 locates affordable housing away from services; affordable housing isn't affordable living if built this way.**

Urban reserves are often on the edges of cities; placing workforce housing in urban reserves as part of HB 4118 would require building out services, and the bill requires a "commitment" to providing "all necessary urban services" within two years. This would drive up the overall expense of projects, would deter developer interest, and is overall unnecessary when buildable land with connection to services already exists within the UGB. Further, COLW advocates for complete communities, and questions how "all necessary urban services" would be interpreted by developers-- does this include access to transit, to grocery stores, to daycare centers, to libraries, or bikeable and rollable streets? COLW also questions what will happen if the UGB is expanded, workforce housing is built, and the services are not delivered in two years-- there is too much ambiguity in this bill that would play out at the expense of those who would later occupy this housing, at the expense of land reserved for future city growth and protected open land and farmland, and in direct contradiction to the guidance of Goal 14.

**Amendment 1 to HB 4118 further exacerbates the problems listed above, through the implementation of and the power given to the "Task Force on Barriers to Housing, Industrial and Manufacturing Development."**

HB 4118 ignores Statewide Planning Goal 1 which places everyday Oregonians at the heart of Oregon land use planning program. Amendment 1 is a slap in the face to Oregon's citizens and an affront to the principle that Oregon citizens have the right to be involved in every phase of land use planning and decision making for their own communities. This task force would be more accurately called: "Task Force on Shutting Oregonians Out of the Planning Process for Their Own Communities and Facilitating Sprawl." The task force membership breakdowns lean heavily toward developers, real estate, and towns under 10,000-- notably, there are zero positions slotted for conservationists, and one position is held for



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planners, who are experts in the laws governing this process, while there are six positions held by those in development which is over double all other categories. Further, the language of the positions themselves make the affront on UGBs clear, leaving zero question if this Task Force would even attempt to be neutral or objective in its research, as seen here:

- (2)(a)(H) One member who represents a city... *with natural hazards imposing limitations on a significant portion of land within the acknowledged UGB*
- (2)(a)(J) One member who represents a city... *with a need for industrial land*
- (2)(a)(K) One member who represents a city *in the Willamette Valley with a population less than 5,000 and with an acknowledged UGB with significant areas of undeveloped land consisting predominantly of hydric soils*
- (2)(b)(H) One member who represents a city... *with a need for industrial land*
- (2)(b)(I) One member who represents a city... *with natural hazards imposing development limitations on significant portions of land within the acknowledged UGB*
- (2)(b)(L) One member who represents a city...*with a population rather than 5,000 that has attempted to expand its acknowledged UGB on or after January 1 2017*

COLW asks what the intention is for these qualifiers. What specifically is the bill referencing when it speaks to “natural hazards imposing development limitations?” How is the “need for industrial land” being defined? Where are the cities who have developed well and do not have a need for more industrial land or are not “limited” by soils or disasters, who are excluded from these positions due to these specific qualifiers? When the bill asks for a city that has “attempted to expand its UGB,” are they requiring that the UGB expansion was denied in order to be a member? DLCD reports that “From 2016 through 2021, cities filed 37 comprehensive plan amendments to adjust their UGBs. Of those, only two plan amendments were not approved, resulting in 35 successful UGB adjustments,” so COLW asks what the intention is for this qualifier. COLW also asks for an explanation on how and why the different counties and cities and their respective size limits were chosen.

In all, COLW believes these member positions create a Task Force skewed toward those who favor single family housing zoning, who want to incentivize less middle and higher density housing, and a push towards expanding UGBs– not in creating a body that can objectively look at industry barriers. For example, there are zero economists, zero academics, zero spaces for cities and towns satisfied with their UGB land inventory, and few other experts who could lend unbiased, fact supported aid in identifying barriers to housing and industrial and manufacturing development. This task force is also attempting to take on too many roles with too little expertise– to name just a few, this looks at tools like state funding and tax abatement for infrastructure investments, change to statutes and rules, urban growth boundaries, infrastructure for large-scale industrial uses– each of these categories would need its own, specified team of experts.

Additionally, the considerations of the Task Force, as currently written and framed essentially asserts that ORS chapters 195, 196, 197, and 227 and agency rules *necessarily* contain barriers to “the timely provision of needed housing and shovel-ready industrial and manufacturing land to support housing need,” when the task force should be objectively exploring all reasons for barriers, without targeting specific existing land use law.

Central Oregon LandWatch is in strong opposition to HB 4118 and amendment 1 to HB 4118; the bill and its amendment completely bypass existing land use law and the essential feature of public involvement.



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Oregon needs to address its shortage of affordable housing; HB 4118 and Amendment 1 to HB 4118 do *not* appropriately address this need, and should not be advertised as such.

Respectfully,

*Kristen Sabo*

Kristen Sabo  
Staff Attorney  
Central Oregon LandWatch



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