



February 6, 2023

House Committee on Housing & Development

Testimony on HB 2889

Chair Dexter, Vice-Chairs Helfrich and Gamba, Members of the Committee,

Thank you for the opportunity to provide comments today on HB 2889. By way of background, the Oregon Homebuilders Association (OHBA), Oregon Property Owners Association (OPOA), and the Oregon REALTORS® collectively represents thousands of members engaged in the residential construction industry, real estate professionals, landowners, and associate members dedicated to homeownership opportunities for all. Over the interim, our groups participated as active members on both the Oregon Housing Needs Analysis (OHNA) interim work group and Housing Capacity sub-workgroup. We want to thank Chair Dexter and members of this Committee for their leadership on this issue and including us in these important conversations.

OHBA, OPOA, and Oregon REALTORS® are strongly invested in the proper implementation of OHNA and believe that this will be an essential tool in ensuring that Statewide Planning Goal 10 (Housing) is brought back to the forefront as we attempt to solve Oregon's housing production crisis. Despite its many successes, Oregon's land use planning system is broken when it comes to ensuring that Oregonians are adequately housed. The text of Goal 10 clearly states:

Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.¹

Unfortunately, local planning does not generally encourage or support the availability of adequate housing. Instead, Oregon's planning and permitting systems are arbitrarily slow, expensive, and designed to disincentivize responsive-affordable growth. There is limited opportunity for flexibility at the local level, and Oregonians rarely have the choice to live in the home they dream of.

Moreover, instead of prioritizing the creation of abundant housing, our system is overleveraged on resource land protection (Goal 3 & 4), with a vast majority of Oregon's land exclusively dedicated to federal and state forests, and private farm and forestland. The result – most of the land in Oregon is consolidated in the hands of very few. This leaves most Oregonians

¹ [goal10.PDF \(oregon.gov\)](http://goal10.PDF (oregon.gov))

packed into confined urban centers, using half or more of their monthly income on rent. Housing experts and economists have made clear that the best way to break historic cycles of poverty is to get individuals into owning land and a home.² Sadly, our current system makes this very difficult and too few Oregonians are afforded this opportunity.

This grim landscape highlights the importance of OHNA as a long-term planning tool. If successfully designed and implemented, we can hope to never find ourselves in such a dire situation again. With that said, it will take strong leadership and oversight from the Legislature to ensure that Goal 10 is properly implemented going forward, and that OHNA serves as a meaningful tool, not another layer of planning that doesn't get us closer to our objectives. The success of OHNA must be measured by actual units produced, Oregonians housed, and the costs of housing decreasing. If these core metrics do not improve, OHNA is not successful, irrespective of how we calculate and plan for future housing needs.

As currently drafted, HB 2889 is heading in the right direction to ensure a brighter future for Oregon. Outside of a strong accountability mechanism that is currently being developed, we suggest additional refinements to the base bill addressing the following:

- Section 3 – This section requires the OHNA methodology to allocate a 20-year “need” to all cities outside of the Metro area. Among other things, the allocation must consider homelessness, vacancy rates, need based on income, and must account for an “equitable distribution of housing”, which is undefined. Given the important and equitable benefits of homeownership, we suggest that when considering future needs, this analysis include a metric for units available for ownership.
- Section 6 – As stated above, when considering a wholistic view of long-term housing equity, opportunities for homeownership should be included in this analysis.
- Section 6(f) – It is unclear what “Factors that affect climate and natural hazards resiliency” includes in this context. This term should be properly defined in statute prior to adoption of HB 2889 to ensure that OHNA is working towards increasing housing production and decreasing the costs of production. It is important for this Committee to note that certain policies related to climate change or hazard resiliency can run counter to the core housing objectives of OHNA, and have been used by anti-housing advocates to stop or delay needed housing development in other states.³ The Legislature should clearly outline its intent for including this provision to ensure this is not used to unintentionally subvert needed housing production.

² [Research series: How does homeownership contribute to wealth building? | Habitat for Humanity](#)

³ [How CEQA is used to block new affordable housing: Part I — Benton Heimsath; CEQA reform is as needed as it's ever been \(msn.com\); Judge strikes down envisioned Otay Ranch housing project, citing wildfire, climate change - The San Diego Union-Tribune \(sandiegouniontribune.com\)](#)

- Section 10 & Section 26-27 – While urban and rural reserves are important long term planning tools that local governments should be utilizing, it is important to note that similar to above, the over utilization of *rural* reserves may be used to prevent needed growth. It is unclear why HB 2889 puts such an emphasis on supporting the designation of rural reserves. *Urban* reserves are the more appropriate tool for encouraging housing production. Again, the Legislature should clearly outline its intent for including the facilitation of more rural reserves and potential sideboards to ensure they are not used to unintentionally subvert needed community growth and housing production.
- Shovel-Ready Inventory: We support HB 2889's goal of shifting the “buildable lands inventory” to focus on greater production (Sections 15-20). However, we believe this analysis could be strengthened even more by requiring jurisdictions to inventory lands that are considered “shovel-ready” (served with infrastructure, not encumbered by environmental issues, properly zoned, entitlements complete, etc.) not those that are merely “buildable” (capable of being developed sometime in the future under theoretical circumstances). We suggest either further refining the definition of “buildable lands” to meet this objective or requiring a separate “Shovel ready” inventory.
- Greater Support for Small & Rural Jurisdictions: As drafted, HB 2889 does not provide much support for small jurisdictions. From our understanding, this is because the OHNA methodology is not mandatory for jurisdictions with a population of less than 10,000. However, the housing crisis impacts communities statewide, and can have a disproportionate impact on small and rural communities. To strengthen the effectiveness of OHNA, the Committee should consider other measures to support small and rural jurisdictions in meeting their housing goals, including greater support around Goal 14 Urbanization, and incentivizing small jurisdictions to adopt *urban* reserves.

Thank you again for the opportunity to provide these comments today. We look forward to continuing to work with the Committee on this important piece of legislation. Please do not hesitate to contact us with any questions or concerns.

Jodi Hack, jodi@oregonhba.com

Samantha Bayer, samantha@oregonhba.com

Scott Barrie, scott@barriehughes.com

Dave Hunnicutt, dhunnicutt@oregonpropertyowners.org

Shaun Jillions, shaun@jillionsgroup.com