

# Portland Coalition for Historic Resources

Subject: Reasons Not To Advance **HB 3414**

Date: March 18, 2023 [Rep.MaxineDexter@oregonlegislature.gov](mailto:Rep.MaxineDexter@oregonlegislature.gov)

Dear House Committee on Rules,

We appreciate your work on the housing needs of Oregonians. However...Before enacting yet another draconian legislative attack on Oregon land use laws and local governance of land use policies in the name of a "housing emergency", please consider the facts:

1. **Our housing shortage and housing prices are minimally the result of "zoning" or the underlying "comprehensive plans" or other policies and laws.** Oregon law requires every city to plan and have available a 20 year supply of land for all types of housing with 5 year incremental adjustments. Assuming that LCDC has been doing its job, and indications are that they once were...this law to disband land use laws for the benefit of investors *will do nothing to increase the supply of housing*.
2. **The economic ideology behind HB 3414 is simplistic and overlooks the complex ecosystem of housing production.** Housing production is highly segmented, market driven and depends on expectations of significant profit. Financing, infrastructure, individual needs and many other factors are at play. Affordable housing is rarely the profit-maximizing use for a given land parcel, and thus is seldom produced - in the absence of public funding. Balancing supply and demand for any or all market segments is not advanced by the notion that that housing "quantity" translates to housing affordability. *Trickle down housing economics follows socio-economic disruption, not expensive new construction at the expense of existing housing.* New housing that is designated affordable comes at a market price even when subsidized.
3. **Statistics indicate that there is not a shortage of appropriately zoned land for at least 20 years in the Metro area.** If "housing" is not being constructed quickly enough when demand is high, it stands to reason that, in most of Oregon, the causes are elsewhere in the system. Taking a wrecking ball to land use regulations and policies and laws as proposed in section (1)(f) of **HB 3569** may render profits for investors and builders but wreak havoc in the character of neighborhoods and our cities. Where is the evidence that **HB 3414** will produce or address housing affordability?
4. **Oregon land use laws, comprehensive plans, and zoning have kept housing rent prices and rent burden close to the US average** for large US cities using Portland as a measure\*. *The category of housing increasing most rapidly in price is existing single family housing (both rental and owner occupied).* Half-million or more existing houses are bought by investors each year. These houses are the most at risk from being demolished and replaced by multifamily structures with less size, privacy, and access to the amenities that zoning codes were intended to protect. Meanwhile offsite storage units for renters are in high demand and costly. Even so, investor owned domination of the housing supply in Oregon has been lower than nationwide. For this, Oregon's system of land use planning and local control gets substantial credit.

\*Statistics from YardiMatrix reports for February 2023 for renters-by-necessity, housing-cost-burdened renters, and average rent costs; see: jchs.harvard.edu/blog/who-owns-rental-properties-and-is-it-changing; see: redfin.com/news/investor-home-purchases-q4-2021/

5. **HB 3414 does everything not "to protect housing".** Housing has a life of 100 years and more and there are design standards for durability, safety, functionality, and physical comfort. Trees, gardens

and green space contribute to tempering our climate and providing psychological well-being. Our existing viable housing **includes single family** homes that are, in many cases, our most affordable housing for families. In the name of producing “housing” and creating affordability, **HB 3414** incentivizes nothing more than rampant demolition and dislocation of the lower economic strata of homeowners and renters and the removal of greenspace and trees. HB 3569 is the latest effort to dismantle land use laws so that we may “catch up” with other states in this unfortunate measure.

6. **HB 3414 implies that housing is a “right”.** Does this mean that Oregon government and its taxpayers are responsible for providing housing for everyone who chooses to live in Oregon? While providing access to housing for all is a worthy goal, there is a mere trickle of public funding dedicated to fulfill that goal. The “rights” conferred by **HB 3414** are land development rights allowing investors access to land and profits over all other considerations. In this regard, **HB 3569 is not only destructive but fundamentally a false promise to the people of Oregon.**
7. **HB 3414 effectively upends expansion of the urban growth boundaries.** The UGBs are a hallmark of Oregon’s reputation for responsible land use planning. However, there are numerous problems that will not be solved by this uncompromising compression.
  - a. The UGB has not produced great walkable neighborhoods as were built prior to 1950. In fact, **HB 3414** declares war on such neighborhoods *including historic properties* in the name of providing more housing.
  - b. **HB 3414** ignores the desire for single family houses that needs to be addressed, not just in an expanded UGB.
  - c. **HB 3414** is in effect a license for *narrow focus advocacy groups* to file lawsuits against cities that fail to “produce” housing of specified quantities and types.

Bottom line, **HB 3414** transparently favors developer and investor interests while steam rolling city and county land use planning, citizen input, and local balancing of important priorities best understood by local communities and their elected governments. It is intended to implode the statewide framework for land use planning established in the 1970s and subsequent efforts to shape cities around a coherent series of neighborhood, regional, and town centers.

**HB 3414 will only damage Oregon’s 50 years of positive efforts to improve the quality of neighborhoods within cities while protecting farm, forest, and recreational lands around and between cities. It should be dropped from the legislative docket.**

We would be pleased to meet with members of the committee to discuss further. Thank you for considering our testimony.

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PCHR Co-Chairs

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The Portland Coalition for Historic Resources (PCHR) is an all-volunteer body including neighborhood leaders concerned with land use issues, housing, and historic preservation, urban design and includes members of the boards of directors from Oregon’s two leading historic preservation organizations.