

Senate Committee on Energy and Environment

Public Hearing, February 9, 2021

Testimony in support of Senate Bill 16

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Background:

The Oregon legislature recognized the unique situation of the communities situated on the state's far eastern border in unanimously passing HB 2012 in the 2017 Regular Session. That legislation created and funded a mechanism for identifying barriers and creating opportunities for our small slice of Oregon to more effectively compete with neighboring Idaho, respectively the Border Board and the Border Fund.

We in the Border Region live in the shadow of Idaho's booming growth, made possible in large part by the relatively lax policies and regulations espoused in that state. Correct or not, Idaho is perceived in our area as being more friendly to business, supportive of development, and appealing to residents. The Border Board has worked diligently over the past three years to identify areas of opportunity and to address barriers inhibiting economic development in the Border Region in response to this issue and as directed by this legislature when you created the Border Board.

Executive Summary:

Payette County, Idaho, mere miles from the Border Region, is enjoying explosive residential growth. On our Oregon side of the river, residential growth is relatively nonexistent. Even the people who still work in the Border Region do not live in Oregon. Consider, for example, the fact that more than 75% of the employees at Oregon's largest prison, the Snake River Correctional Institute located in the Border Region, choose to live in Idaho. The result is a stagnant tax base, little opportunity, and stymied civic involvement. The Border Board has identified the lack of rural residential housing as a key contributor to this problem.

It is critical to note that we do recognize and appreciate the many benefits of Oregon's regulations and policies in contrast to Idaho's approach. Our communities are rooted in agriculture and we watch with deep concern as Idaho farm ground is transformed into a haphazard patchwork of residential and commercial development. Growth is best balanced with careful, long-term planning, and the structure surrounding Oregon's land use generally affords that. However, we in the Border Region are literally surrounded by the reality that balance must also be reached with market demand as we see prosperity thrive just across the river and stagnancy on the Oregon side.

Please note that this same bill, brought as House Bill 2456 in the 2019 session, passed in the Oregon House of Representatives by a vote of 37-20. This favorable outcome is because it is a good bill that does not erode Oregon's well founded land use system. Unfortunately, that bill did not advance in the Senate as the legislators grappled with carbon legislation. We ask that this well-researched, well-drafted bill be given a chance, in effect giving the Eastern Oregon Border Region a chance, this session.

Senate Bill 16 As Introduced: Allows rezoning of limited, nonviable land within Eastern Oregon Border Economic Development Region from exclusive farm use to residential use.

Highlights of SB 16:

- Subject to a county review board process, EFU land in the Border Region may be rezoned to rural residential, allowing the development of one residential unit per parcel, provided that:
 - The land has not been farmed in the prior three years;
 - The land is not high-value farmland, predominately composed of Class I, II or III soils, or viable for reasonably obtaining a profit through farm use;
 - Rezoning will not force a significant change in accepted farm or forest practices on surrounding lands devoted to farm or forest use;
 - If the water source is a well, the lands are not within a critical ground water area or within any area in which ground water withdrawals have been restricted by the Water Resources Commission;
 - The property owner agrees, as a condition of approval of rezoning to sign and record an irrevocable deed restriction acknowledging the protected rights of farm and rangeland practices in the area;
 - The rezoning complies with any other criteria adopted by the county;
 - Minimum lot size of 2 acres and no more than 200 acres total could be rezoned by the county under this Bill;
 - The rezoning has received a public hearing and a written opinion from a review board;
 - In the preceding 10 years, the lands have not been assessed for property tax purposes as: open space use, riparian habitat, wildlife habitat, or a conservation easement.
- Review board - 4 members appointed by the county:
 - One member who represents the interests of the farming community;
 - One member who represents the Eastern Oregon Border Economic Development Board;
 - One member who is a member of the planning body of the County;
 - One member who is a member of the governing body of the County.
- Continues any applicable farm use tax deferral and valuation on properties in region until redeveloped for sale or five years after rezoning.

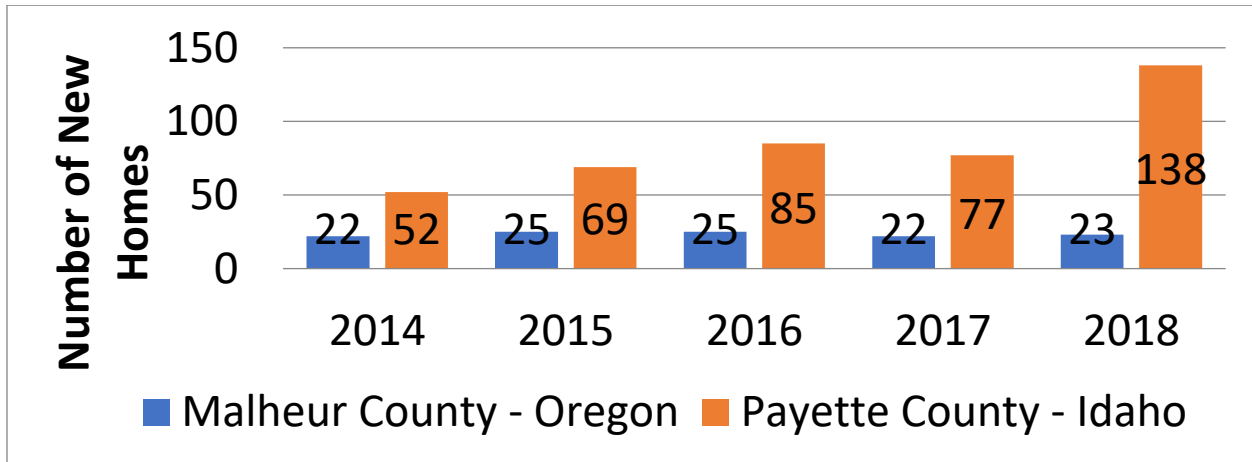
Why SB 16 is needed:

- The Border Region is unable to meet demand for rural housing. Employers, residents and prospective residents consistently point to housing availability, including desirable housing “in the country,” as an issue in the Border Region.
- The lack of housing negatively impacts economic development, workforce attraction and retention, and tax base stability in the Border Region.
- A majority of the higher wage earners working in the Border Region live in neighboring communities in Idaho and cite the availability of rural residential housing as one factor. (The Border Board is addressing multiple other factors through legislative action and grant/loan programs; SB 16 is just one facet of the board’s efforts.)
- Payette County, Idaho has fast outpaced the Border Region in housing opportunities.
- It is significantly easier to develop rural residential property in Idaho.
- The Eastern Oregon Border Economic Development Board’s commitment to preserving and protecting the region’s valuable agricultural ground from the lax regulations of Idaho is complemented by limited rural housing on non-viable land in the Border Region.

By the numbers:

Updated numbers for 2019 and 2020 are pending and will be provided in supplemental testimony, but the disparity continues to worsen.

New Home Construction Comparison



Note:

- *The Malheur County numbers represent the entire county, of which the Border Region is a small slice along the Idaho border.*
- *Of the homes built in Payette County last year, more than 30% (50 homes) were rural residential.*

Stakeholders:

SB 16 has strong support within the Border Region from agriculturists, property owners, residents, prospective residents, business owners, and local governments. That is an important distinction to remember as you hear from outside groups who are concerned in general about protecting Oregon lands. Those local to the Border Region, including those serving on the Eastern Oregon Border Economic Development Board seeking passage of this bill, are acutely aware of the vital role of agriculture in the region. Careful analysis of this bill will reveal that protection of viable farm ground and farming practices remain paramount and can indeed be balanced with a reasonable amount of well-planned and well-regulated rural residential development.

Call to Action:

On behalf of the Eastern Oregon Border Economic Development Board, I invite you to get to know our small part of Oregon. This legislature acknowledged the uniqueness of the Border Region and charged our group with creating opportunity in the face of challenge. SB 16 is a critical part of the board's work toward that end and, accordingly, we respectfully respect your support of the bill.