

January 28, 2021

To: House Housing Committee

Dear Chair Fahey, Vice-Chair Campos, Vice-Chair Morgan and Members of the Committee:

We, the undersigned members of the Build Small Coalition - a coalition of public, private and nonprofit small home advocates who aim to encourage development of and equitable access to more affordable housing types throughout greater Portland - are writing to share our strong support for HB 2283-1.

HB 2001 legalized middle housing throughout Oregon in an effort to diversify our existing housing stock and create more modestly-priced housing options that would enable would-be homebuyers to enter the market. In order to fully realize the potential of this measure, it is imperative that we also respond to the technical barriers that make it harder for middle housing to proliferate.

Land is typically the most expensive component of home price, especially in walkable neighborhoods with ready access to amenities. The simplest way to significantly reduce the cost of new home development is to reduce the cost of the underlying land, for which a fee-simple land division process creates a pathway. This reduces home prices and expands access to homeownership in high-opportunity areas for first-time home buyers, families of modest means, and people of color who have been priced out or excluded from these neighborhoods through outdated housing policies like redlining and discriminatory lending practices.

In our work around the state implementing middle housing under HB 2001, we have heard significant interest from community members and city officials in more homeownership opportunities for these middle housing types. Fee-simple ownership options for middle housing could dramatically increase consumer interest in these “novel” housing types and help create a robust middle housing market.

The flexibility offered by HB 2283-1 makes middle housing development more feasible for professional developers and “mom-and-pop” developers alike. For example, homeowners may have ample land to develop but may not want to take on the ongoing responsibility of rental management. Fee-simple land division would enable them to realize the financial potential of their property without requiring that they become landlords.

Securing financing for middle housing is challenging for both developers and would-be homebuyers - construction loan products are difficult to navigate and condo mortgages have limitations. Allowing fee-simple land division for middle housing will make it easier for developers and borrowers alike to access and secure traditional loan products.

Implementing this administrative, fee-simple land division process for middle housing like duplexes, triplexes and cottage clusters will help to increase the supply of entry-level homes for purchase in 49 Oregon communities, expand equitable access to desirable neighborhoods for families with modest incomes, and make middle housing development more attractive to professional developers and homeowners alike.

Once again, we strongly encourage you to support HB 2283-1. Thank you for your service.

Sincerely,

Elizabeth Decker, Jet Planning
Kol Peterson, Accessory Dwelling Strategies
Neil Heller, Neighborhood Workshop
Joe Wykowski, Community Vision
Billy Ulmer, Portland Alternative Dwellings
Michael Andersen, Sightline Institute
Mike Mitchoff, Portland Houseworks
Susan Brown, Oregon Mortgage Bankers Association