



June 9, 2023

House Committee on Rules
Oregon State Capitol
900 Court Street NE
Salem, Oregon 97301
RE: HB 3414 – Support for -19 amendment

Chair Fahey, Vice-Chairs Breese Iverson and Kropf, and Members of the House Committee on Rules:

The Oregon REALTORS® is a statewide trade association made up of 19,000 real estate professionals working to provide the dream of homeownership to Oregonians.

We write today in support of the -19 amendments to HB 3414. Oregon’s housing crisis has been well-documented as one of the worst in the nation and we know that to address this crisis we need to build more than 550,000 units over the next 20 years.ⁱ Much effort has gone into identifying the causes of and potential solutions to this crisis.ⁱⁱ One thing that is abundantly clear from these efforts is that Oregon needs an “all of the above” approach to produce more housing. Barriers to development on land already zoned for residential use AND a shortage of buildable land are both repeatedly cited by experts as root causes of the housing crisis.ⁱⁱⁱ

With the -19 amendments to HB 3414, the members of this Committee have the rare opportunity to make meaningful progress on both of these issues.

The Committee has heard from some who argue that new land should not be brought into the UGB until every ounce of housing juice is squeezed out of lands currently within the UGB. This argument ignores the reality that redevelopment of land inside the UGB for high density housing—a laudable goal—is a process that will take decades to achieve. Oregonians do not have decades to wait. Redevelopment of lands inside the UGB is part of the solution, but only one part, and the provisions of Sections 1 through 13 of HB 3414-19 will help to accelerate the process.

But solving the housing crisis will also require making more land available for housing development, in a timely fashion. HB 3414-19 presents a thoughtful and measured approach to achieving this goal by expediting and streamlining the process for a limited number of UGB expansions, limited in size and scope, and for the express purpose of providing a variety of

housing types including those that are affordable to teachers, firefighters, small business owners and other working Oregonians.

The UGB expansion provisions of HB 3414-19 apply only to lands adjacent to the current UGB that are designated as an urban reserve, designated as non-resource land, or subject to an acknowledged exception to a statewide land use planning goal relating to farmland or forestland. The size of the expansions are limited to 75 net residential acres for cities with populations less than 25,000, 150 net residential acres for cities with populations greater than 25,000 and a total of 600 net residential acres across all Metro jurisdictions. Each city can only use the UGB expansion process provided by HB 3414-19 one time.

The -19 amendments require cities to develop a conceptual plan to ensure that lands brought into the UGB under this process include a diversity of housing types and sizes, including middle housing. At least 30 percent of the housing units must be subject to affordability restrictions that make the housing affordable for rent by households with an income of 80 percent or less of the area median income or available for purchase by households with an income of 130 percent or less of the area median income.

Lands brought into the UGB under the process outlined in the -19 amendments are subject to minimum density requirements and must include recreation and open space lands, and lands for commercial uses that serve the immediate surrounding housing, ensuring sustainable communities. For cities over 5,000 population the conceptual plan must include a diverse transportation network that includes options including biking, walking and public transit.

Perhaps most importantly, this is a voluntary process that will only be utilized when there is a partnership between the city and landowners to bring adjacent land into the UGB to develop housing under the terms and conditions described above.

HB 3414-19 represents a thoughtful and measured approach to both expedite housing development inside the UGB and to ensure that a limited amount of additional land can be brought into the UGB for the express purpose of producing housing that is affordable to Oregonians at a variety of income levels. We strongly urge your support for HB 3414 with the -19 amendments.

ⁱ “Measured as a share of housing stock, Oregon ranks 4th in underproducing housing in the country.” Oregon Housing Needs Analysis Legislative Recommendations Report: Leading with Production

https://www.oregon.gov/lcd/UP/Documents/20221231_OHNA_Legislative_Recommendations_Report.pdf;

ⁱⁱ For example, Oregon Housing Needs Analysis Legislative Recommendations Report: Leading with Production

https://www.oregon.gov/lcd/UP/Documents/20221231_OHNA_Legislative_Recommendations_Report.pdf;

Barriers to Housing Production Report, University of Oregon Institute for Policy, Research and Engagement

https://www.oregon.gov/lcd/UP/Documents/Appx_F_UO_IPRE_Barriers_Housing_Production.pdf; State of Oregon

Housing Production Advisory Council Plan Framework

https://www.oregon.gov/gov/policies/Documents/W00060058_GOV_HPAC%20Plan%20Framework_2023-web.pdf

ⁱⁱⁱ See footnote ii above.