



Chair Jama, Members of the Committee,

Thank you for the opportunity to provide this letter in support of SB 1051 -2. By way of background, our organizations represent thousands of professionals engaged in the housing industry, landowners, business owners, and concerned citizens dedicated to seeing Oregon produce more affordable housing options across the state. As this Committee knows too well, Oregon is in an affordable housing crisis and every community is suffering from the rippling effects of our housing backlog. Schools are struggling to find teachers and nurses who can afford to live and work in their communities. Our businesses, still reeling from the pandemic, cannot attract workers because of a lack of affordable housing. Oregon families are being forced to spend most of their income on housing expenses. Our rural and coastal towns cannot grow and risk fading into economic disarray.

Because of the Legislature's commitment to bold action on housing this Session, we have an opportunity to make meaningful change that can yield significant results for Oregonians. SB 1051, while a modest proposal, is an essential piece to solving the affordable housing crisis.

In short, SB 1051 -2 offers two solutions to one of our biggest barriers to production – a limited buildable land supply. Like housing supply, when there is a limited supply of buildable land and an increase in demand, the costs go up. Currently, there are only about 395,320 acres in the state zoned for residential use inside our urban growth boundaries. This means that less than half of one percent of Oregon's land is available to house most Oregonians. As one can imagine, this creates exorbitant land prices, making affordable housing product nearly impossible.

SB 1051 -2 utilizes the power of partnership by bringing landowners, developers, builders, and local governments together to capture land costs when they are at their least expensive. Sections 2 and 3 create a voluntary process to allow cities to expand their UGB if the land can meet certain conditions and a percentage is guaranteed to support construction of homes and jobs for those earning below 120% AMI. Section 4 allows cities with less than 3,500 population to voluntarily designate urban reserves, and then develop those urban reserve areas under certain conditions. This will allow applications for residential, commercial, or industrial development to move through a streamlined process, bringing essential jobs and housing to underinvested rural areas.

By allowing local governments to work in collaboration with builders through an expedited and measured process, we can greatly increase the number of homes available to those earning below 120% of the area media income. This means more opportunities for safe, affordable, and permanent housing across the state, and a brighter future for Oregon's small rural communities.

With this in mind, we ask this Committee to please vote YES on SB 1051 with the -2 amendment.