

March 20, 2023

Submitted via OLIS

RE: SB 1051 and amendments – Opposition, Oral Testimony

Good morning Chair Jama and Committee Members,

Thank you for the opportunity to provide oral testimony on SB 1051 and amendments today.

For the record, I'm Corie Harlan, Cities and Towns program manager with Central Oregon Land Watch. Central Oregon LandWatch is a conservation organization that, for more than 35 years, has been working to create well-planned cities and protect wild, open spaces across the region.

This session, much excellent, bi-partisan work has focused on the policies and tools we need to solve Oregon's housing crisis most effectively. SB 1051 isn't one of these – and it directly undermines some of the great progress made this session in HB 2001.

That's why we oppose this bill.

The bill is problematic for a number of reasons. One of the most problematic is that it allows UGB expansions that are driven by individual private landowners, not a public process. This would pull cities' time and resources away from more effective housing solutions and would further exacerbate cities' serious issues related to a lack of resources for necessary infrastructure.

Infrastructure improvements are one of the most significant barriers to available land becoming shovel-ready for housing development. In Bend's expansion areas – over 2,000 acres where we've planned for over 5,000 housing since 2016 – there is a \$101 million funding gap for transportation infrastructure alone¹. Today, less than 10% of total possible housing units have been built in Bends expansion areas (see attached memo).

A bill like this one only widens this funding gap and further distracts and dilutes infrastructure investments from where they are most needed: Lands already slated for development within our current UGB that lack infrastructure.

¹ [2020 Bend Transportation System Plan, page 121](#)



OHNA elevated policies that have broad stakeholder support and consensus because they will have the most significant impact on meeting Oregon's housing needs. As noted by OHCS and DLCD in that report and in subsequent testimony by DLCD, small scale, expedited UGB expansion policies are contentious, not fully developed, and are not one of the most impactful policies for delivering more housing, quickly.²

For example, a full seven years after its passage, the expedited UGB expansion for an affordable housing pilot created by HB4079 has not yet delivered any housing units to the communities where it has been implemented, including Bend.³ One of the key reasons is a lack of infrastructure funding.

Like other Oregon cities, right now Bend has available land within its current UGB that can become much-needed housing if we continue to focus on consensus-based housing policies that will actually move the needle on meeting Oregon's housing production goals established by Governor Kotek,

As legislators continue to craft solutions to Oregon's housing crisis, we urge you to explore programs and funding mechanisms that help communities like Bend close the gap on their infrastructure needs and in doing so deliver more housing options to our communities with urgency.

We still have important work to do together this session to meet the housing needs of all Oregonians. Let's not get distracted and bogged down with controversial concepts that are not needed and not effective, like those proposed in SB 1051.

Thank you.

Sincerely,



Corie Harlan
Cities & Towns Program Manager

² [Oregon Housing Needs Analysis \(OHNA\) Recommendations Report: Leading with Production](#), pg. 9; Land Conservation and Development Commission meeting, [DLCD testimony](#), November 17, 2022: 3:14:47 & 3:17:16

³ [Bend Bulletin Editorial: The Hard Lessons of Parkside Place](#) (HB 4079: Expedited UGB Expansion for Affordable Housing Pilot Project), January 25, 2023



Tackling the housing crisis in Bend, Oregon and beyond

Effective, near-term, consensus-based solutions for the 2023 Oregon Legislative Session

Housing options for all

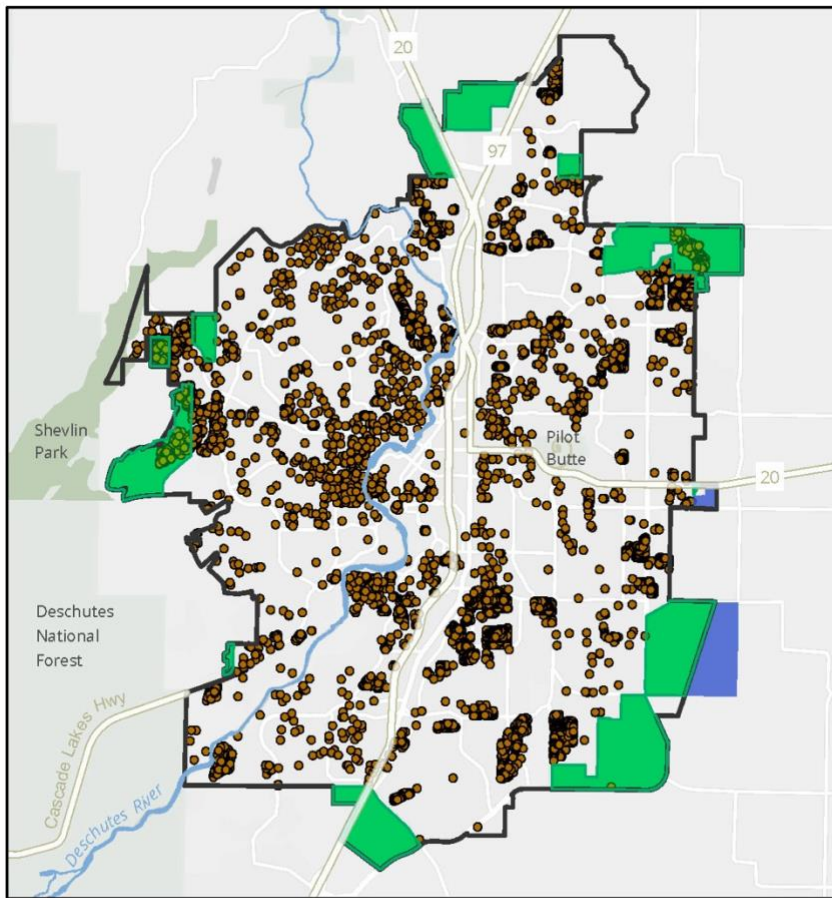
Shelter is a fundamental human need. Housing options for all are the cornerstones of safe, stable, equitable, and thriving communities. Oregon, like the rest of the nation, is in a housing crisis. **The big takeaways:** We can help deliver abundant housing options to Oregon’s communities by: 1) Working together this legislative session to implement effective, *consensus-based* policies; and 2) Providing state funding for housing-related infrastructure.

City of Bend case study: Making the most of what we have

Central Oregon is the fastest-growing region statewide – and we’ve been planning for this growth. In 2016, Bend added 2,380 acres across ten different expansion areas to its urban growth boundary (UGB) to

accommodate a minimum of 5,370 housing units.

However, most new residential development activity has occurred within Bend’s existing neighborhoods – not in expansion areas (see map). **Over the past six years, less than 10% of total possible housing units have been built in Bend’s expansion areas.** Why?



● 2016-2022: Residential Building Permit Applications ■ 2016 UGB Expansion Area
▭ City of Bend Urban Growth Boundary ■ Areas added via state legislation

2016 UGB Process: Ten Expansion Areas¹

Total Expansion Area Acres	2,380 acres
Minimum possible housing	5,370*
Total housing units built to-	509** (9%)

Housing-related infrastructure funding is key

In addition to market factors, like interest rates and building costs, infrastructure improvements are one of the most significant barriers to available land becoming shovel-ready for housing

development. Bringing new water, sewer, and transportation infrastructure to undeveloped areas is expensive, complex, and time-consuming. In Bend’s expansion areas, there is a \$101 million funding gap for

¹ Sources: City of Bend Comprehensive Plan (Chapter 11), City of Bend Community Data Explorer, Bend Land Information System (BLIS)

*This number does not include middle housing opportunities afforded by HB2001. It is the minimum required for each expansion area. The number of housing units that could be built in these areas is even higher.

**Source: November 2022 City of Bend staff analysis, subject to change

transportation infrastructure alone². This doesn't include sewer, water, and other utility costs, which substantially increase this funding gap. It's the same story in 'small scale' UGB Amendments/Expansions that have been added to Bend's UGB via state legislation (2016's HB4079 Affordable Housing Pilot and 2020's HB3318 Steven's Road Tract): Infrastructure costs have been a significant barrier to much needed housing being built.

Areas Added via State Legislation		
Legislation	Acres	Possible Housing Units
Stevens Tract (2020)	261	2,400 (800 affordable: 60-80% AMI)
HB 4079 Pilot (2016)	35	345 (138 affordable: 80% AMI)
TOTAL	296	2,745
TOTAL BUILT	0	0%

Bend's Expansion & Legislatively Added Areas	
Total acres	2,676
Total possible housing units	8,115
Total housing units built to-date	509
% of possible housing units built	6%

Consensus-based policies & infrastructure funding can deliver housing options for all

Like other Oregon cities, right now Bend has available land within its current UGB that can become housing if we **implement consensus-based housing policies, including providing significant state funding for housing-related infrastructure.**

The [Oregon Department of Land Conservation & Development and Oregon Housing & Community Services report to the 2023 Legislature](#) outlines policies that have broad stakeholder support and consensus because they will have the most significant impact on meeting Oregon's housing needs. To meaningfully tackle Oregon's housing crisis, it will be important to move all OHNA's consensus-based policy recommendations forward – and the recommendation to **commit substantial and sustained state resources for housing production, affordable housing production, and development readiness, including infrastructure funding, is particularly critical.** A good place to start is committing sustained investment in the production of housing that the market is unlikely to produce on its own, including investments in infrastructure and development readiness, system development charges (SDCs), and gap funding and loan guarantees for affordable and diverse housing options.

It will also be important to not get bogged down with concepts that lack consensus. As noted by OHCS and DLCDC, small scale UGB amendment/expansion policy options are contentious, not fully developed, and are not one of the most impactful policies for delivering more housing, quickly.³ Nearly seven years after its passage, the affordable housing pilot created by HB4079 has not yet delivered any housing units to the communities where it has been implemented (Bend, Redmond, Pendleton). **By focusing on areas of consensus and providing state funding that helps cities make the most of what they have, we can significantly increase the housing quantity, choice, and affordability that families need, in Bend and every Oregon community.**

City of Bend housing-related infrastructure needs

The City is unable to meet all its infrastructure needs through existing funding mechanisms. For example, per

² [2020 Bend Transportation System Plan, page 121](#)

³ [Oregon Housing Needs Analysis \(OHNA\) Recommendations Report: Leading with Production](#), pg. 9; Land Conservation and Development Commission meeting, [DLCDC testimony](#), November 17, 2022: 3:14:47 & 3:17:16

the City's 2020 Transportation System Plan, the estimated funding need over the next 20 years is \$942M and with a funding gap of \$463M. Contributing factors include declining federal and state funding sources, limited local funding for multiple city-wide priorities including police, fire, and housing; limited ability for Oregon cities to raise revenue through property taxes; a backlog of deferred maintenance; and increasing construction and maintenance costs. While SDCs are the largest local funding source, funding is limited to specific capital projects. New, substantial, and sustained state resources for infrastructure funding are needed to close the funding gap and tackle Bend's housing crisis.

Infrastructure investments in key areas will unlock critical housing needs and help create complete communities. Bend has areas that have been designated to accommodate more of Bend's rapid growth and deliver complete communities with more affordable housing options close to essential services. These Expansion and Opportunity areas are where transformative infrastructure investments can help address Bend's most pressing issues and deliver multiple benefits to our community. State funding for housing-related infrastructure investments in these areas would:

- Catalyze more affordable housing and mixed-use development in our communities;
- Provide more equitable housing and transportation options to marginalized and underserved community members;
- Tackle climate change by reducing greenhouse gas emissions from transportation;
- Support a vibrant, diversified economy where businesses and their employees thrive; and
- Provide more safe, accessible ways to get around town that don't always require a car.

With this lens, the following infrastructure projects are key priorities in our community. While City of Bend's infrastructure needs are far greater than this list, this provides a targeted look at what kinds of investments are needed to tackle the housing crisis in our community in ways that make Bend a more vibrant, equitable and healthy place for all. City of Bend estimates that with these investments, 3,050 housing units and 4,450 jobs would be created. Over \$60M of local funds and \$250M of private investment could be leveraged with these projects.

- **Hawthorne Overcrossing (\$10M):** A new, vital, and catalytic overcrossing to connect bike and pedestrian routes between Downtown and the Bend Central District.
- **Key Walking and Biking Routes (\$25M):** Infrastructure needed to complete Bend's twelve walking and biking routes that are the backbone of the City's low stress network.
- **Central Interceptor Project (\$12M):** This sewer project is essential for increased (re)development of the Core Area, as well as the future designation of Climate Friendly Areas.
- **Southeast Area Plan Sewer (\$16M):** Essential sewer infrastructure is needed to develop more than 400 acres of land in a UGB expansion area, which would support 1,230 dwellings, 2,800 jobs, a neighborhood park, elementary school, and multi-use paths.
- **TOTAL: \$63M**

As legislators craft solutions to Oregon's housing crisis, we urge you to explore programs and funding mechanisms that help communities like Bend close the gap on their infrastructure needs and in doing so, deliver more housing options to our communities with urgency.ⁱ

ⁱ This memo was created by Central Oregon LandWatch | www.centraloregonlandwatch.org | Corie Harlan, Cities & Towns Program Manager, corie@colw.org