

# Hopefuls for governor outline approaches to housing

State could be short 111,000 units

By LAUREN DAKE  
Oregon Public Broadcasting

Next year marks the 50th anniversary of the creation of Oregon's land use system.

The idea behind the rules for where growth can happen was straightforward: preserve rural lands for rivers, farms and forests and save the development for urban areas within what are now called urban growth boundaries.

Signs of the system's success span the state: farmland in Madras that stretches to the horizon, massive Douglas firs that dominate the Willamette National Forest and an urban core in Portland that is dense enough to allow commuters to bike or ride mass transit to work.

But Oregon's unique approach to growth also created unintended consequences: it's been overly burdensome and bureaucratic, discriminatory or simply failed to deliver.

One of its stated goals, for example, is to have enough homes at a range of prices and rent levels that meet the financial capabilities of Oregonians.

Today, the housing shortage is evident in every corner of the state: skyrocketing single-family prices homes in Bend and Hood River, a dwindling middle class and thousands of people who are without a home.

Josh Lehner, a state economist, said some estimates show the state is short 111,000 housing units, primarily those that would help lower-income families.

Pro-development groups point to the housing crisis as proof it's time to overhaul Oregon's land use system. Allowing more land to be developed — putting more land inside the urban growth boundaries — would, the argument goes, decrease the cost of single-family homes by increasing the amount available. Conservation groups argue, however, that plenty of land exists inside the urban growth boundary that could be developed. The answer is more density, they say, not less.

In the next 50 years, as the population of the state continues to surge, Oregon will inevitably start to look very different. The next governor will be instrumental in determining how much money is spent on housing. She will appoint the agency heads and key commissioners charged with implementing housing policies, and she will have the power to convene those who determine what land is developed and where.

"The housing policy in this state is really the prime responsibility of the governor," said Dave Hunnicutt, president of the Oregon Property Owners Association. "We are not a state that tolerates local control over housing decisions and delegates that to the cities and counties; the state has assumed that role and the governor as the chief executive officer of the state sets that policy."

When it comes to how we manage our land in Oregon, the three leading candidates for governor have very different perspectives and, depending on who is elected, the state's landscape could look very different in the next half-century.

## Kotek promises more aggressive state action

No lawmaker in recent history has been more influential when it comes to statewide housing policies than Tina Kotek.

While serving as speaker of the Oregon House, Kotek



Tina Kotek, a Democrat; Betsy Johnson, an independent; and Christine Drazan, a Republican; are the leading candidates for governor.

ushered through legislation to pass the nation's first statewide rent control bill, preventing landlords from raising rents beyond a certain percent each year. She pushed through a measure to allow cities with a population of more than 10,000 people to build duplexes and triplexes to increase housing stock, despite neighborhood zoning restrictions. More recently, she helped secure \$75 million of state funds to turn motels into emergency shelter beds to increase the state's supply of beds for people experiencing homelessness by 20%.

If elected governor, Kotek said she would issue an executive order on her first day that would create a plan and eventually a legislative package to create more housing. She would push to streamline the permitting processes, expand the construction workforce and put state money toward funding affordable housing developments.

"We simply have to get more serious about building a lot more housing," Kotek wrote in an email in response to questions from Oregon Public Broadcasting. "The goal will be to build enough housing to meet the need for people currently experiencing homelessness, address the current shortage of housing, and keep pace with future housing demand over the next decade."

Kotek also promised to reduce the racial homeownership gap by 20% by 2027.

Oregon has a history of discriminatory and racist practices, such as banks denying loans, hiking interest rates and not renting or selling homes to people of color. Kotek said she would help increase down payment assistance programs, crack down on discriminatory practices and partner with culturally specific organizations to reach Black, Indigenous and people of color households across the state to close the gap.

## Johnson says politicians need to get out of the way

Former Democratic state Sen. Betsy Johnson, who is trying to gather enough signatures to appear on the ballot as an unaffiliated candidate, promises a different approach. She says Kotek has been heavy handed in her approach to housing. Sometimes, Johnson said, state lawmakers simply need to get out of the way.

"The most important thing Salem needs to realize is that politicians don't build affordable housing, and every time they pass legislation to mandate it, all they do is add costs that make housing more difficult to build and more likely not to be built at all," Johnson wrote to Oregon Public Broadcasting. "This is a market phenomenon that can be met by market forces if the liberal extremes would get out of the way."

Johnson said it's time to consider ways to reconsider the state's land use laws and create quicker, less burdensome ways to expand urban growth boundaries. The process can

be quite lengthy and includes cities proving to state regulators there needs to be more developable land. Cities also have to go through a public involvement process, which includes holding public hearings, and it's not unusual for the end product to end up in the court system.

"... The housing shortage requires us to reconsider the process so that we can allow planned development while still protecting the same essential goals," Johnson said. "As governor, I would not seek to dictate specific land use provisions but would instead lead to bring stakeholders together to establish shared values and drive the process to outcome."

Johnson has her own personal history of relying on flexibility when it comes to the state's land use laws.

Johnson's family has long owned property in Camp Sherman, in central Oregon, along the pristine Metolius River. Johnson and her family hired a lobbyist and were instrumental in using their positions to help block development in the area. Two developers who proposed resorts in Camp Sherman were ultimately prohibited from doing so when then-Gov. Ted Kulongoski implemented a never-before-used designation to declare the area one of critical state concern, blocking all future development.

## Drazan said government should help the private sector

In 2020, Christine Drazan, the former House minority leader and Republican candidate for governor, led her party on a walkout to Reno to block Democrats' signature climate change bill.

Partly as a response, Gov. Kate Brown issued an executive order directing 19 state agencies and commissions to reduce greenhouse gas emissions, including when creating new housing. The order directs agencies to change building codes to prioritize energy efficiency and it updates energy efficiency standards for appliances and has directives for reducing food waste.

Drazan contends the executive order will drive up costs and lead to little tangible environmental benefits. Johnson was more direct, saying she would "crumple it up, throw it in the trash, and light the trash can on fire in a controlled burn." And Kotek said she would work to get more money to local governments so they can implement the executive order.

Drazan believes part of the solution to the state's housing crisis is protecting programs that are already on the books, like the mortgage interest deduction, which allows homeowners to reduce their taxable income by the amount of interest they pay on their mortgage, and the first-time homebuyer program, while also keeping property taxes low.

Democrats in the Legislature have pushed to end or scale back the mortgage interest deduction program. An audit from Secretary of State Shemia Fagan, a Democrat, found the deduction primarily benefits white wealthier Oregonians in urban parts of the state and in the next biennium would remove more than \$1 billion from state coffers.

Overall, when it comes to housing, Drazan, like Johnson, said sometimes politicians' involvement makes it worse.

"We must also recognize that the regulatory environment on buildings directly impacts costs, and we need to stop mandating homes that, by their own nature, will be expensive due to the regulations in place on them," Drazan wrote to Oregon Public Broadcasting. "If we want affordable housing, we can't continue with business as usual when it comes to increased restrictions and regulations that drive up costs."

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## PROGRESSIVE DESIGN BUILD SERVICES FOR NEW CONSTRUCTION AND RENOVATION

KNAPPA SCHOOL DISTRICT SEEKS PROPOSALS FOR PROGRESSIVE DESIGN BUILD SERVICES FOR NEW CONSTRUCTION AND REMODEL PROJECTS. Proposals due September 1st, 2022 at 2:00 PM local time. Knappa School District (KSD) is requesting proposals (RFQ) for Progressive Design-Build services for the design, construction and start-up at KSD property located at 41535 Old U.S. Highway 30, Astoria, OR 97103. A general description of the project includes the design, construction and commission of the following: a new gym, replace existing portables with classrooms and science lab, Middle School learning hub, pre-school, renovate areas of Hilda Lahti School for efficient utilization, improved safety and security, repairs and maintenance of roofs, HVAC systems, electrical systems, plumbing and weather sealing. Owner's Rep, Ann Gyde (sole point of contact), will receive proposals until September 1st, 2022 at 2:00 PM local time, late proposals will not be accepted. Proposals should be emailed to William Fritz, Superintendent (fritzw@knappak12.org) and Ann Gyde (ann@kloshgroup.com). A pre-proposal conference will be held on August 19th, 2022 at 10:00 AM. All questions/communications during the solicitation phase shall be directed in writing to KSD's sole point of contact. Proposals will be evaluated using a best-value selection process. RFQ documents by going to OregonBuys.gov/bs. All addenda will be posted at this location. All Design-Builders must comply with the provisions required by ORS 279C.800 to ORS 279C.870 regarding payment of prevailing wage. KSD may cancel this procurement or reject a proposal that does not comply with the prescribed public contracting procedures and requirements, including the requirement to demonstrate the bidder's responsibility under ORS 279C.375 (3)(b). KSD may reject for good cause all bids after finding that doing so is in the public interest. Sole Point of Contact: Ann Gyde, Owner's Rep., Phone: (503) 468-9970 Email: ann@kloshgroup.com