BAKER CITY Herald

Opinion

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EDITORIAL

State right to slow fire risk map project

Oregon's goal of helping to protect rural homes from wildfires is admirable. Unimpeachable, really.

We all want to avoid a repeat of the terrible Labor Day weekend of 2020, when blazes devastated several towns in Western and Southern Oregon.

And there's no doubt that the danger is growing.

More people are living in and near forests and rangelands, and those lands are more prone to burning as climate change leads to longer and more severe fire seasons.

Senate Bill 762, approved by the Legislature in 2021 and signed into law by Gov. Kate Brown, was prompted in part by the 2020 catastrophes. The legislation, among other things, required the Oregon Department of Forestry to compile a map showing the wildfire risks — no risk, low, medium, high or extreme — for each of the state's 1.8 million tax lots. In addition, other state agencies were directed to write regulations mandating that some property owners, whose land is within the wildland-urban interface (WUI — the zone where homes are in or near forests or other areas where wildfires are more common) and deemed at high or extreme risk, will have to take steps to reduce their fire risk. The basic idea is to create a "defensible space" — a zone, usually within 50 to 100 feet of a home, where there is little or no combustible material that could ignite if a fire comes close and lead to the destruction of the home.

Although the legislation called for requiring such work, adding a potential expense for landowners, the cost is small compared with the value of a home and its irreplaceable contents. Indeed, many people who live in the WUI, including some in Baker County, have already taken steps to protect their properties. In a few areas neighbors have worked together to create a "Firewise" community.

Little wonder, then, that Senate Bill 762 easily passed, 22-7 in the Senate and 49-6 in the House. Both of Baker County's legislators, Sen. Lynn Findley, R-Vale, and Sen. Mark Owens, R-Crane, voted for the bill.

But the effects of the bill, and the reaction to it, have been quite different from the intent.

On June 30 the state published the risk level map put together by the Forestry Department and Oregon State University. The state also sent letters to the owners of about 80,000 tax lots that are both within the WUI and designated as high or extreme risk.

Findley said he believed the map would assign a risk level only to tax lots in the WUI, which constitute less than 1% of the state's total tax lots.

That's one reason Findley and Owens, along with some other lawmakers, on Aug. 3 called on state officials to withdraw the map and cancel the notices sent to property owners in the WUI. The next day, State Forester Cal Mukumoto did so.

The process was flawed in multiple ways. For one, Senate Bill 762 required the Forestry Department to finish the risk level map by June 30, 2022. That didn't give the state sufficient time to meet with property owners, fire protection district officials and others whose knowledge could have helped produce a more accurate map.

Mukumoto acknowledged as much, saying there "wasn't enough time to allow for the type of local outreach and engagement that people wanted, needed and deserved."

But although the legislation has yet to mandate anything for property owners, it appears to have already had expensive ramifications for some. The issue is homeowner's insurance.

Kevin Cassidy, who lives along Rock Creek west of Haines, said his longtime insurance provider declined to extend his policy recently, citing as a reason that his property is at high risk. Cassidy said he found another insurer, but his new policy is twice as expensive — $2,400 per year — as the previous one.

Cassidy said his former insurer didn't cite the new, since withdrawn, state risk level map as the reason. But he said the issue of fire risk had never been mentioned before, in about 20 years of coverage.

Legislators have also cited canceled insurance policies, or more expensive coverage, as a reason for asking the state to revise the map.

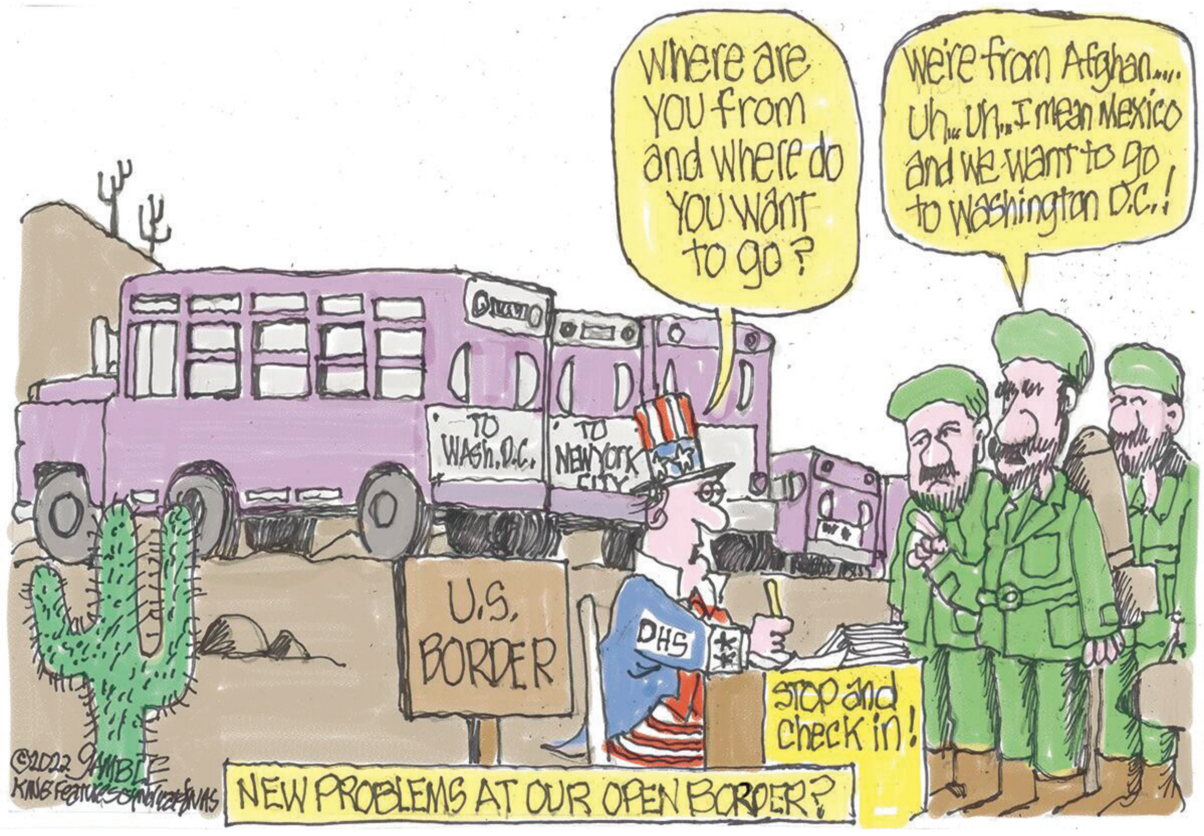
Others are skeptical of the link between the new map and changes in insurance coverage or cost. Michael Wara of Stanford University's Woods Institute for the Environment, told The Associated Press that "insurers have way better maps. They're not going to just take the state's word on the maps."

Perhaps not. But the timing, in Cassidy's case, is curious.

Regardless, the state, as State Forester Mukumoto conceded, needs to spend more time collecting information about the efforts many property owners already made to protect their homes.

That will yield maps that not only are more accurate, which will help target the areas most in need of improvement, but also reduce the unintended but potentially expensive effects of this otherwise worthwhile endeavor.

— Jayson Jacoby, Baker City Herald editor



YOUR VIEWS

Story about Republican Party meeting left out background

Oh, come on! I know your paper leans left, but let's get the facts right. Your recent article about the Baker County Republican party missed so many opportunities to get the facts right. Well, I realize that maybe your cub reporter is new to Baker City and has no background on how bylaws or party politics work, but he should've spent a little bit more time getting background information. He took the time, although inaccurately, to portray Judge Vance Day in a negative light as well as Chair, Suzan Ellis Jones (going to be investigated!!! OMG! WRONG!), but he didn't look into the alleged Oath Keeper background of Jacob Brown, the pending felony trial of ringleader Ken Hackett, or that Daniel Crowe, the "attorney" for the extremists who is only licensed to provide pro bono (free) services to indigent clients (according to the Oregon State Bar website).

I was at the meeting. I am a voting precinct committee person on that committee. That small group of radicals fooled a whole bunch of my good neighbors into violating the bylaws so they could change the bylaws, then take over. That side of the story was not covered. What about the chaos created by those who took over and they didn't even know how to make a motion or count the votes. Several of the votes they took had more ballots cast than voting members present. Isn't that a fact that should be part of the story?

Most folks in Baker County are center/right. They believe in liberty and self government, but don't like extremists telling them what to do. I am hopeful the State party will take action to enforce the bylaws and rebuke the extremists who tried to take over the Baker County GOP. IF that happens will you report that fact?

Tisha Bass
Baker City

Herald's headline left out the rest of the story

Nice headline on last Saturday's (July 30) article.

I was at that meeting and "the rest of the story" was oddly missing. Kind of reminds me of the following story:

A biker is passing the zoo when he sees a little girl leaning into the lion's cage.

Suddenly, the lion grabs her by the cuff of her jacket and tries to pull her inside to slaughter her under the eyes of her screaming parents.

The biker jumps off his bike, runs to the cage and hits the lion square on the nose with a powerful punch. Whimpering from the pain the lion jumps back, letting go of the girl, and the biker brings her to her terrified parents, who thank him endlessly.

A New York Times reporter has watched the whole event. The reporter says, "Sir, this was the most gallant and brave thing I saw a man do in my whole life." The biker replies, "Why, it was nothing, really, the lion was behind bars. I just saw this little kid in danger, and acted as I felt right."

The reporter says, "Well, I'm a journalist from the New York Times, and tomorrow's paper will have this story on the front page. ... so, what do you do for a living and what political affiliation do you have?"

The biker replies, "I'm a U.S. Marine and a Republican."

The following morning the biker buys The New York Times to see if it indeed brings news of his actions, and reads, on the front page:

"U.S. MARINE ASSAULTS AFRICAN IMMIGRANT AND STEALS HIS LUNCH."

Duane B. Morris Jr.
Baker City

COLUMN

Who's to blame for the record housing prices?

BY JOEL GRIFFITH

With so much attention fixed on soaring prices for gasoline and groceries, one can almost overlook the fact that we're also enduring an affordable housing crisis. The question is, why?

Spanning the pandemic era from February 2020 through May 2022, home prices soared 43.5%. Over the past 12 months, home prices are up 19.7%, while residential property prices in the United States, adjusted for inflation, are now 6.7% above the prior all-time record levels of the 2006 bubble.

Home prices are increasing far greater than family income growth is. The home-price-to-median-income ratio now stands at more than 8.1, significantly higher than the levels of well under 5.0 experienced from 1980 to 2000. The mortgage-payment-to-income ratio hit 42% in May — tied for the highest level since the creation of the index in 2006. The mortgage payment on a median-priced home with a 20% down payment jumped from under $1,300 to more than $2,000 in just the past year as interest rates and home prices surged — a whopping 56% increase.

Median apartment rental costs, meanwhile, have jumped 12% this past year. Because leases often roll over annually, the Consumer Price Index data from the Bureau of Labor Statistics does not yet fully reflect this surge. Since March 2020, numerous cities experienced rent increases well over 30%.

So what's to blame for these surging prices? Politicians are scapegoating "institutional owners" and other investors in rental properties. But the evidence doesn't support this. According to mortgage giant Freddie Mac, "Overall investor share of home sales stands at 27.6% in December 2021, which is only slightly higher than 26.7% in 2019."

Large investors (10+ homes) account for only 6% of all home purchases. The proportion of home sales to investors is actually smaller today than in 2006. CoreLogic reports that from 1999-2018, "mom and pop" investors actually accounted for growing portion of the homes purchased relative to private equity investors. Although the share of sales to institutional investors (pension funds, insurance companies, banks) and iBuyers (large corporate buyers that often remodel and flip) rose from under 2% in 2018 to 4% of home sales since 2021 — this is still only a small portion of all rental homes purchased.

Institutional investors own just two out of every 1,000 (0.21%) of all residential real estate, and just 1% of all single-family rental homes (SFR) nationwide. Over the past five years, rental housing as a share of total housing declined.

Far from leading the surge in home prices, both institutional and smaller investors are alleviating the affordable housing shortage. And by often paying below list price — 29.4% less, according to a recent RealtyTrac report — institutional investors may actually be a counterweight to home price appreciation.

So who are the main culprits? Government mortgage subsidies, the Federal Reserve and local regulations.

Government-sponsored enterprises (GSEs) — namely, Fannie Mae and Freddie Mac — continue to dominate the mortgage market. Investors who purchase GSE bonds and mortgage-backed securities (MBSs) ultimately provide funds for people to finance homes, and these bondholders and MBS investors enjoy implicit government backing. Approximately 90% of GSE volume is currently devoted to refinances, investor purchases, lower loan-to-value loans and pricier homes purchased by higher-income earners. Government-subsidized GSEs enable borrowers to take on bigger loans and spur housing demand, leading to higher home prices and increased taxpayer risk.

Since March 2020, the Federal Reserve has driven down mortgage interest rates and fueled a rise in housing costs by purchasing $1.3 trillion of MBSs from Fannie Mae, Freddie Mac and Ginnie Mae. The $2.7 trillion the Federal Reserve now owns is nearly double the levels of March 2020. Artificially increasing the amount of capital available for the residential home mortgage market and distorting interest rates has exacerbated home unaffordability.

On the local level, stringent zoning restrictions, density limitations and aggressive environmental regulation limit the supply of housing while increasing the costs of construction. Regulations often account for more than 30% of the costs of rental housing construction. Rent control further compounds the problem by deterring new construction, giving landlords fewer incentives to spend on upkeep and remodeling, and reducing the future supply of housing. New construction the past decade remains far lower than in the decade preceding the prior housing price bubble in part because of these restrictions.

Blaming real estate investors for the resulting misery may score political points. But demagoguery does nothing to alleviate it. Lawmakers can start to restore this bedrock of the American dream by removing federal subsidies from the housing market, restricting the Federal Reserve's power to purchase a limitless quantity of mortgages, and eliminating the artificial barriers to housing supply erected by local leaders. It's time to stop home prices from going through the roof.

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