



*For Immediate Release*

May 18, 2021

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**Oregon Legislature passes Senate Bill 458, legislation that simplifies the land division process for middle housing**

*Habitat for Humanity of Oregon leads effort to advocate for expanded access to homeownership, especially for first-time homebuyers*

**SALEM, OR** — Yesterday, the Oregon House passed [Senate Bill 458](#), legislation that facilitates a straightforward land division process that aligns with middle housing types allowed through House Bill 2001 passed in 2019. At a time when home is everything, this companion legislation will help increase our state’s supply of affordable entry-level homes and deliver a broader spectrum of homeownership options that fit the budgets of more working families.

SB 458 passed in a 54-2 vote. It now heads to Gov. Kate Brown’s desk to be signed into law.

“The best way to bring down the cost of housing is to increase the stock of housing built at affordable cost,” said Sen. Tim Knopp (R-Bend). “This bill adds to the work we did in 2019. We know that one of the best ways to build intergenerational wealth is through homeownership. This legislation will ensure more people have access to buy homes, especially first-time homebuyers.”

Under the leadership of Senators Lew Frederick (D-North and Northeast Portland) and Knopp and Representatives Mark Meek (D-Oregon City) and Jack Zika (R-Redmond), SB 458 enjoyed strong bipartisan support in both Chambers. Habitat Oregon also thanks the efforts of Sen. Kayse Jama (D-Portland) and Rep. Julie Fahey (D-West Eugene and Junction City) for steering SB 458 through the Senate Housing and Development and House Housing committees respectively.

“As a realtor, I have seen first-hand that Oregon communities of all sizes lack entry-level homeownership opportunities,” said Rep. Meek, who carried the bill on the House floor. “Homeownership is one of the key indicators of household wealth. Racist policies like redlining and discriminatory lending practices have excluded Oregon BIPOC community members from this critical wealth-building opportunity.”

This legislation is the culmination of extensive collaboration and partnership among Habitat for Humanity of Oregon and the Oregon Home Builders Association, and has included ongoing feedback

from the League of Oregon Cities (LOC) and the Association of Oregon Counties (AOC). Work on this bill began well before the 2021 Oregon Legislative Session and builds upon the passage of HB 2001 in 2019, as well as the more than year-long rulemaking process by the Oregon Department of Land Conservation and Development.

“Our intention has always been to find a solution that works on the ground to increase the supply of homeownership opportunities that are entry-level and affordable around the state,” said Shannon Vilhauer, Executive Director of Habitat Oregon.

SB 458 creates a uniform, streamlined process for the review and approval of land divisions for middle housing types, such as duplexes, triplexes, quads and cottage clusters. Prior to the passage of SB 458, the ability to sell these units relied on local zoning ordinances that vary from city to city.

“This is just one piece of the puzzle,” said Sen. Frederick in his testimony before the Senate Housing and Development committee. “It’s not going to solve everything, but I think it will have an impact.”

As Rep. Meek mentioned on the House floor, Oregon communities of all sizes lack entry-level homeownership opportunities. Consistency across the 49 cities implementing HB 2001 will provide the certainty that private and nonprofit housing developers need to increase our state’s supply of affordable entry-level homes and deliver a broader spectrum of homeownership options. Additionally, this measure is a concrete step in addressing Oregon’s racial homeownership disparity.

For nearly 25 percent of all Americans, their home is their biggest financial asset. The average net worth of a homeowner in was \$231,400, compared to just \$5,200 for a renter, according to the 2016 Survey of Consumer Finances by Federal Reserve and [cited by Prosperity Now](#).

“This improved land division process will provide much-needed space for middle housing in our rapidly developing communities. We know that generational wealth is rooted in homeownership. Unfortunately, for many, and especially for people of color, there are too few opportunities for entry-level homeownership. This measure is a clear and concrete way to address this need in communities throughout our state,” Vilhauer said.

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### **About Habitat for Humanity of Oregon**

Driven by the vision that everyone needs a decent place to live, Habitat for Humanity brings people together to build homes, communities and hope. Habitat for Humanity of Oregon provides fundraising, training, disaster preparedness and advocacy support to all 24 Habitat for Humanity affiliates — locally-based organizations with dedicated staff and volunteers who build and repair homes across our state. Of these affiliates, 21 are based in rural Oregon. Our network is working diligently to build and sell at least 75 homes this fiscal year and provide at least 150 healthy home repairs. To learn more, visit [habitatoregon.org](http://habitatoregon.org).

### **Background information on HB 2001 and SB 458**

For Oregon cities with 10,000 or more residents, [House Bill 2001](#) (passed in 2019) made it possible to develop middle housing in neighborhoods formerly restricted to single-family, detached homes. Cities with 10,000 or more residents must allow duplexes in neighborhoods formerly restricted to single-family, detached homes. Cities above 25,000 in population, along with most Metro cities and urban parts of Metro counties, must also allow additional forms of denser development such as triplexes,

quads, townhomes and cottage clusters. Prior to the passage of Senate Bill 458, it did not necessarily follow that a builder (whether nonprofit or for profit) could sell each of the resulting units. That ability relied on local zoning ordinances that vary from city to city.

SB 458 follows the critical work done by HB 2001 by creating a fee-simple land division process for middle housing as described above. Consistency across the 49 cities implementing HB 2001 will provide the certainty that market-rate builders need to increase our state's supply of affordable entry-level homes and deliver a broader spectrum of homeownership options that fit the budgets of more working families.