



## Let the Force be With You

May 17 // Bruce Sorte // Hermiston, Oregon

Dinner, when I was a kid, was often punctuated by my dad and/or mother exclaiming how one economic, social or political ill or the other could be fixed. They were logical and caring people – they had good ideas. With a few exceptions most of their ideas never got going. I couldn't figure it out.

As I studied in college and then worked and volunteered in a number of communities, I tried to understand why so many people's good ideas, which can be found in blogs, editorials, commentaries, and public meetings today, did not even get a "hearing" by the decision makers.

Certainly, fundamental differences in values played a big part. Still, even when the majority of people agree an idea has merit, it is just too much of a slog to determine and then use or neutralize market forces to get new initiatives started. The market has no heart and it needs to be dealt with before moving on to the fun stuff of better ideas.

As an example, affordable housing was raised as a concern in the Newport Think Out Loud program and the follow-up online messages. Lily in her blog offered a great example of locally appropriate affordable housing. Yet, having made land use decisions on the Corvallis City Council, serving for a number of years on the Housing Commission, and now working with rural communities around the state, I've found affordable housing is one of those problems that requires quite a bit of time dealing with the market forces.

People often complain when they see housing purchase or rental prices go up – 'it is just those newcomers driving-up the prices.' Maybe so, though rising housing prices should in a sense be celebrated because they are a very strong indication that the economy is not stagnant and is beginning to prosper. We have some near ghost towns where housing is very cheap. The single strongest determinant of the value of housing is what the people who live in those houses can earn in that community. The market forces are allowing sellers and buyers to do just what an efficient market requires – sell or rent for the maximum someone will pay and then take those dollars and spend them elsewhere in the community.

I can hear you – 'What an elitist this guy is!' I spent a lot of time working with others to create affordable housing; I just did so always adjusting for those market forces.

Particularly in rural communities a number of people need to hold multiple jobs and frequently those jobs are in multiple communities each year. Long term leases, returns on landlords'

investments, and stick built houses on their own 50 by 100's that may fit urban environments often do not meet the needs of businesses and people in rural communities.

Economically, we care about affordable housing, because it keeps labor costs down if employees can live where they work. However, a major portion of our concern about affordable housing is that we want a more equitable distribution of prosperity and more stable neighborhoods or communities. We want our children and friends to be able to live close by if they choose.

Equity issues require government to be involved up to its ears because it is too big a job for nonprofits and the market determines affordability by adjusting the prices until everything sells. From the market's perspective, if the houses are selling they must be affordable.

Unfortunately, government land use laws, building codes, system development charges and failure to provide incentives for locally made and held loans discourages affordable housing much more than typical affordable housing programs help. We have good examples in Oregon and across the nation of more pragmatic approaches to housing policy than most communities adopt.

Those pragmatic approaches tend to create more economically, demographically and culturally diverse communities. They are not necessarily architecturally consistent or all painted up in a mauve color with a five foot sidewalk, yet they can be clean, well kept and safe.

Our standards for what affordable housing is – costing no more than 30% of after tax income and people's expectations for three bedrooms and one and half baths are not achievable for a growing percentage of the population. Consumers and particularly local government agencies need to get real and some are.

If you have an affordable housing, local foods, cluster economic development, or resident retention/recruitment initiative that you would like to get started or is floundering, give me a call at 541.567.6337 and I would be happy to help. We will spend a good deal of time upfront working on those market forces and then we will move on to some conversations that might be a little uncomfortable and a little nonstandard particularly for the folks who tell others what is not possible, feasible or allowable in a community.

Take care,  
Bruce Sorte

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