



Concordia Neighborhood Association
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November 20th, 2017

City of Portland Bureau of Planning and Sustainability
Attn: Residential Infill Project
1900 SW 4th Avenue
Suite 7100
Portland, OR 97201

Morgan Tracy, Project Manager residential.infill@portlandoregon.gov

Dear Mr. Tracy,

As you know, the City is at a crossroads. Our single family residential zones contain homes that have ceased to become affordable to the average Portland family. Yet the current zoning prevents more units from being constructed on lots in these zones, which might act to bring down the cost per new housing unit. Instead, the entire site acquisition cost must be borne by a new single-family house. This results in more and more large, expensive homes that aren't affordable to most of the families who might be able to fully use their space, and generally are purchased by people of means who don't actually need all that space.

Supply, in short, is not meeting demand.

The decision point we find ourselves at is this:
Do we allow this situation to continue and worsen? Or, do we take effective steps to fix it?

After reviewing the latest staff proposal from the Residential Infill Project, we find that the current proposal does not plan to significantly improve the situation with regards to affordability.

No significant changes are proposed from the proposal that was analyzed by Johnson Economics in their October 17, 2016 memo to Tyler Bump of BPS.

In that memo, the RIP project was projected to actually result in a net reduction of housing units produced in Portland over the next two decades by 8,000 units over the baseline; hardly a ringing endorsement of the success of this proposal!

Further, that report indicated that it would be unlikely that any of the resulting units would be affordable to a household making the Median Family Income or less for the City of Portland.

It is our view, as neighbors who are concerned about the ability of our children, our aging parents, our friends and other potential new neighbors to afford to live near us in the future, that the Residential Infill Project is currently flawed, but that with a few simple fixes, it can be tuned to help deliver a more affordable future for our city.

In that spirit, we respectfully recommend the following changes to the staff proposal:

- **Alleys:** All houses abutting alleys, not just skinny houses, should be required to use the alley for automobile access to the lot. We care about protecting the pedestrian-oriented nature of our neighborhoods, and want to protect it.
- **'a' Overlay (the HOOZ):** The Housing Opportunity Overlay Zone (HOOZ), otherwise known as the new 'a' overlay, attempts to prevent gentrification and displacement by denying the opportunity to take advantage of the new RIP regulations to areas at risk of gentrification and displacement. As a neighborhood that experienced redlining during the 20th century based on the spatial distribution of people of a particular race, we do not wish to see any other neighborhoods be subject to a policy that effectively red-lines poor neighborhoods of the city, denying property owners there the opportunity to improve their lives and the neighborhood by replacing existing, sub-standard housing stock with newer development that could allow owners to lift themselves out of poverty by the bootstraps, following the American Dream. It's quite possible that preventing access to opportunity in this manner may be a violation of the Federal Fair Housing Act. The City should not seek to deny these sorts of economic opportunities to low-income areas. The 'a' overlay should be applied broadly to all residential zones across the city within walking distance of transit with 20 minute headways in the peak or better, and/or with bicycle access to high-quality bicycle infrastructure.
- **Economic opportunity:** The current RIP proposal, according to its own economic analysis, will result in limiting new homeowners in Portland's single-family zones to high-income households. No longer will new construction be affordable to middle-income Portlanders. The price per square foot resulting from these regulations will increase, further accelerating price appreciation of existing homes. The allowable FAR should thus be increased for new development with multiple units; the cap on the number of units within a structure should be lifted (4 or more should be allowed by right); and the height calculation should be changed to clarify that a two-and-a-half-story house will always be legal in all zones. r2.5 zones should maintain their 35-foot height limit and not experience a reduction to 30 feet. Height should be

measured from the midpoint elevation adjacent to a structure, not the low point.

- **Affordability:** If the City chooses to not allow four units by right, and also chooses to not simply use a form-based code to regulate residential zones, then we strongly recommend the following:
 - In order to receive a bonus unit, a developer should only need to provide one unit affordable to households making 80% or less of MFI;
 - Two bonus units should be available to developers who provide at least two units affordable to households making 60% or less of MFI.
 - In no way should a developer be required to make all units affordable. Where would the money come from to subsidize this activity? Will Council be instituting a new tax to raise the hundreds of millions, if not billions of dollars that would be required? If not, then simply write a sensible code that allows the market to provide affordable units as a part of a market-rate project.
 - Single-family zones should NOT be held to a higher standard than buildings with 20 or more units, which can amortize their site acquisition costs over more units and are only required to provide 20% affordable units.
 - If affordability is the goal, and the principles of inclusionary zoning are to be applied, then a fourplex should be allowed on any single family lot in the city, if at least one of the units is affordable to 80% MFI, and one of the units is visitable. (The current building code requires one ADA-adaptable unit in new fourplexes, so this last point would just synchronize the zoning code with the building code.)
- **Scale:** If a project meets the criteria of one affordable and one visitable unit, then the project should be eligible to build up to 0.9 FAR, 35 feet in height, and with a front setback of ten feet (to maximize the amount of private back yard area shared by residents). This will allow the market to best deliver products that meet the economic needs of our neighbors over the coming decades.

We believe that these adjustments to the RIP proposal will allow neighborhoods to determine their future destiny in terms of setting the terms of the character of future development, while allowing for the diversity of housing types that must be built in order for supply to come into balance with the changing demographic demands of future generations.

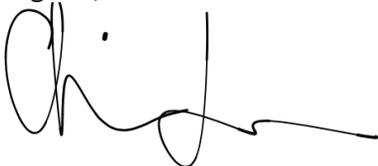
Finally, a brief note regarding **narrow lot development:** The Concordia Neighborhood Association has previously fought against the development of skinny houses in our neighborhood, in particular those that sought to skirt regulations in order to build houses taller than would otherwise be allowed. In fact, we appealed the approval of one such house all the way to the State Land Use Board of Appeals. We have also been subjected to many skinny houses built on streets with alleys, where the house nonetheless features a garage facing the street instead of the alley, making a mockery of statements in the Concordia Plan (developed as a part of the Albina Plan process) to preserve the pedestrian orientation of the front yard, and to minimize the impact of the automobile. We therefore feel the need to express our support for the new policies embodied in the staff proposal for the RIP with regards to narrow lot development. We applaud the requirement that the pedestrian character of the front of skinny

houses be preserved, either by tucking parking in the rear to feed to an alley, by sinking parking to the basement level, or by eliminating on-site parking entirely. We are in favor of the new height limit for skinny houses, so that their height is proportionate to their width and they do not loom over any of their potential single-story house neighbors. We are encouraged that those of us who own a vacant 25' historically platted side lot will retain our ability to develop such a lot into a skinny house in the future without needing to demolish our primary home. We are also encouraged that, when a house *is* demolished in order to access the underlying historically-platted lots in an R5 zone, that the resulting two primary units will be required to be attached, so that the resulting structure will be more energy efficient and visually appealing.

With all of the work that has been put into developing the Residential Infill Project, we recommend making these minor changes to the RIP, after which the City should give it a chance. Let's legalize true Missing Middle housing, including fourplexes, in our neighborhoods. Let's run the experiment to see if the next generation of houses will produce more affordable and attractive outcomes than those currently being built.

Speaking of which, we look forward to participating in the upcoming process to fine-tune our Community Design Standards, so that the next generation of homes built in Portland features better design than the current generation.

Signed,

A handwritten signature in black ink, appearing to read 'Chris Lopez', with a stylized flourish extending to the right.

Chris Lopez
Chair, Board of Directors
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cc: Susan Anderson, susan.anderson@portlandoregon.gov, Joe Zender, joe.zehnder@portlandoregon.gov