



Portland Planning & Sustainability Commission
1900 SW 4th Ave, Suite 701
Portland, OR 97201
Attn: Residential Infill Project staff

May 15, 2018

Dear Members of the Portland Planning & Sustainability Commission,

Portland for Everyone is a coalition of affordable housing advocates; community-based, transportation, and environmental organizations; neighborhood associations; and local businesses. We advocate for land use changes that will support abundant, diverse, and affordable housing options for Portland residents.

We have reviewed the Residential Infill Project Proposed Draft, with one main question in mind: *“Will this plan meaningfully expand housing options and increase affordability for Portlanders?”* **The Proposed Draft, as currently written, will fall woefully short of meeting this aim. In fact, the city’s own economic analyst estimates that this plan will add only about 86 new homes per year over the next 20 years compared to current conditions.**

The Proposed Draft amounts to an effective down-zone of Portland’s residential neighborhoods - the very opposite of what Portland needs in the middle of a housing shortage. **By attempting to achieve everything in every development, the proposal risks achieving nothing at all.**

Portlanders desperately need more housing choices. We need housing that can accommodate different household and family configurations flexibly at different stages of their lives. We need housing that will allow a generation of retiring Boomers to continue to live in their neighborhood of choice, with access to amenities and walkability. We also need to ensure that our new rules for neighborhoods will actually deliver affordable housing options for low- and moderate- income Portlanders, and help create more mixed-income neighborhoods.

Therefore, Portland needs a residential zoning code that will deliver:

- **More housing:** In a housing shortage, (and even if we emerge from it), an effective downzone - as shown by the Johnson Economics report - is counter to our affordability and livability goals.
- **More affordable housing:** Bonuses and benefits for affordable housing projects must be meaningful and unencumbered by layered restrictions, if we truly want to deliver large increases in affordable homes in our neighborhoods.
- **More accessible & visitable housing:** We must provide more options for the largest generation of retirees to date, and for people living with disabilities.

Adopting a clear public benefits framework can beneficially inform policy choices throughout this proposal:

The current Draft attempts to require every new development to solve *two or more* of these problems.

However, if the City is serious about meeting our full community's housing needs, it must improve flexibility.

Projects that achieve ANY one, or more, of these three benefits must be incentivised. At minimum, they must be legalized citywide without being penalized.

In implementation, a project that furthers any one of these objectives should be allowed without undue restriction, and incentives and bonus structures should be written such that a project may opt to achieve two or even three objectives. Additionally, **if one of our goals is to re-introduce small-scale forms of "missing middle" housing in our neighborhoods, then we should take care not to impose additional requirements and restrictions on these housing types beyond what is required for larger single-dwelling homes.**

We have used this framework to evaluate the current proposal's ability to provide these benefits. We are confident that the following changes will ensure that the worthy goals of this project will be successfully met.

Summary of Key Recommendations:

- **Allow the "housing options" provisions in all areas of the city** to improve equity outcomes and encourage the creation of additional walking scale neighborhoods.
- **Allow internal conversion of existing houses into multiple homes in all areas**, and provide additional incentives for housing preservation and reuse.
- **Revise the affordable housing bonus to include an additional home** as well as FAR increases for below-market rate, family-sized homes. Exempt affordable housing projects from additional requirements.
- **Create an accessible housing bonus**, allowing an additional home as well as FAR increases for projects that are 100% fully accessible.
- **Allow small triplexes on mid-block lots**. Also allow these projects to access the improved affordable and accessible housing bonuses.
- **Ensure no net loss in ADU allowances over current conditions**, and actively incentivize the provision of secondary ADUs.
- **Create a true cottage cluster code** that encourages the development of smaller, more affordable homes.
- **Rezone all historically narrow lots from R5 to R2.5**, with design improvements, to let more households share land costs and provide housing options that more families can afford.
- **Support a healthy urban tree canopy** by designing flexible code provisions that incentivize saving trees and create less impervious surfaces.
- **Eliminate minimum parking requirements** for all housing types citywide.

This residential neighborhood code update should be written with the long term in mind. We believe the City can seize this historic opportunity to help alleviate the chronic suffering of tens of thousands of residents, allow flexible options for families as their circumstances change over time, welcome new Portlanders, and give Portlanders a chance to grow up - or grow old - without having to leave their neighborhood.

Lastly, we ask the members of the Planning and Sustainability Commission to consider all decisions in light of our community values: **Do we need a proposal that leads with subjective compatibility, or do we need a proposal that leads with housing our full community accessibly and affordably?** We urge the Commission to be bold, and to demonstrate real leadership in delivering a plan that can better meet the needs of Portland residents.

Detailed Recommendations and Narrative:

What the Residential Infill Project Proposed Draft does well:

Expands access to housing opportunity. We support the proposal's inclusive definition of areas of "opportunity." First, that "opportunity" includes the ability to walk to school, neighborhood stores, a park, or employment opportunities, as well as being within ¼ mile of transit. However, we must ensure that the plan as implemented does not freeze "opportunity" areas based on today's transit service or sidewalks; **this is a long-range plan that can and should be accompanied by complementary investments throughout the city.** Indeed, supportive densities predate frequent transit and corner stores, not the reverse.

Allows alternative housing options (duplexes, triplexes, cottages, multiple ADUs). Providing the opportunity for smaller housing options: allows families of all sizes and ages to live in the same neighborhoods; enables aging in community; provides opportunities for teachers, first responders, and other middle-income people to live in the neighborhoods they serve; and supports population densities necessary to foster walkable neighborhoods and pedestrian-oriented commercial districts – all within residential buildings *smaller* than those allowed under current code. These measures also help to create more resource- and energy-efficient homes, enhance the walking experience, and provide the opportunity for more trees and vegetation.

Expands preservation and adaptive reuse strategies. The Project provides flexibility in some areas to preserve existing houses by increasing possibilities for reinvestment and renovation through internal conversion to smaller units, thereby serving families of all sizes, ages, and configurations. The Residential Infill Project supports "gentle infill": incremental changes to meet our changing housing needs, integrated into the fabric of existing neighborhoods.

Key improvements in this Proposed Draft. The draft includes some key changes that will have positive impacts on housing options and feasibility, and we thank staff for their efforts to improve the draft, including:

- Allowing basement ADU conversions to match the size of one floor in existing houses will make basement ADUs more feasible for many sites. We recommend extending this benefit to *all* basement ADUs, not just those within the current "a" overlay.
- Reducing minimum lot size for triplexes in R2.5 and R5 will yield more triplexes that don't stand out as much from existing smaller homes.
- Reduced parking requirements when more than one single-dwelling home is developed will greatly reduce costs in many cases.
- Slight expansion of R2.5, mapped in "logical transition areas" between existing higher-density zones and proposed rezone areas follows the rationale put forth in most Comp Plan goals and policies.
- Considering different anti-displacement measures for homeowners and renters. However, we disagree with staff's use of geography as the best method to target protections to vulnerable populations.
- Setting the affordable housing bonus at 80% MFI and making it available to projects with one or more below-market homes. However, the impact of the 0.1 FAR benefit in a redevelopment scenario is minimal, and a unit-plus-FAR bonus would achieve much better results. **A stronger affordable housing bonus system is absolutely necessary, one key tool at our disposal to truly begin to redress the impacts of generations of exclusionary zoning.**

How the Residential Infill Project Proposed Draft can be better:

Scale of Houses

We support capping home sizes to be more compatible with neighborhoods and with Portlanders' housing needs, and to limit unnecessary demolitions. However, this must be coupled with rules that make duplexes, triplexes, and other housing types feasible to build. Modest changes we recommend include:

- **FAR for duplexes & triplexes.** Consider a slight increase in allowed FAR - 0.1 for duplexes and 0.2 for triplexes - above that allowed for single dwelling residences. We acknowledge this to be a change from our previous feedback on the Discussion Draft, but in light of the Johnson economics report, it is clear that improvements must be made to increase the likelihood that duplexes and triplexes will be built. (Triplexes may also require slightly larger lot coverage allowances).
- **In R2.5, revert back to a 0.7 FAR maximum** for both attached and detached homes on narrow lots. This ensures that smaller three-bedroom homes will remain feasible. (Even with the affordable housing bonus FAR, under this proposal, affordable 3-bedroom homes may not always be feasible.)
- **Ensure no net loss in ADU allowances over current conditions:** We appreciate the proposal's attempt to further development of this flexible and popular infill housing type. However, the draft as currently written will actually stymie ADU development. The following changes, along with smaller technical corrections, will remedy this mistake:
 - Correct the FAR allowance language so that all currently-possible ADU configurations remain legal. Continue to allow detached ADUs to be up to 800 square feet as measured by habitable living space standards. (In R5, the current draft mistakenly limits accessory structures to 672 square feet of interior habitable space, instead of the 800 currently allowed by Portland's code.)
 - Create a pathway for sites that will not support visitable conditions to be exempted from visitability standards when adding a second ADU.
 - Consider other incentives such as a 0.05 FAR bonus for accessibility in any new residential units to alleviate many design concerns regarding bathrooms and other accessible building features.
- **Setbacks.** Revert back to a 10' front setback standard, but maintain allowances to adjust setbacks to match homes next door/ on the same block.
- **Measuring Height.** Consider a standard appropriate for slopes that are steep but not unbuildable. (For example, by measuring either 30' from the lowest point or 25' from the highest).
- **Don't penalize energy efficient projects with thickened exterior walls.** For example, exclude the full thickness of exterior walls from FAR calculations for additional insulation in assemblies beyond standard code-minimum wall thickness.
- **Allow maximum heights and sizes on small flag lot homes to match the base zone.** Decreasing the size of the allowed new home may incentivise a tear down-rebuild for BOTH homes over preserving the existing house and building a second one in the back.

Housing Opportunity

The housing choices included in the current "Housing Opportunity Overlay" (Recommendations 5-8) should be allowed in all neighborhoods, not just the proposed Housing Opportunity Overlay Zone. In its current form, this overlay is exclusionary, denying most of East Portland and other neighborhoods the benefits of density needed to support transit access, walkable neighborhoods, and greater housing choices for seniors, young families, and low- to moderate-income households. East Portland is also among the most affordable areas of our city at this time. Therefore, the best way to create homeownership opportunities for households at/below 80% MFI would be to allow these alternative housing options, coupled with incentives for affordability, in all neighborhoods--but particularly those where land and property values have not yet skyrocketed.

Alternative housing types should also be allowed in areas where right of way (ROW) infrastructure is *not yet* up to City standards. As proposed, much of many neighborhoods with incomplete streets would be excluded from the 'a' overlay options. These areas are typically much more cost-effective to develop now, versus waiting until improvements happen, which often trigger significantly higher development costs. So new single family homes could still be built there (and build half street improvements or pay an in-lieu fee), but the same option would not be available for alternative housing types. We should allow the full range of housing options in these neighborhoods too.

It also makes little sense to restrict allowed housing types in areas with steep slopes, but that are still considered buildable, and currently allow one large house. The development impact of multiple, small units with an overall smaller structure would very likely have similar if not less development impact than one big house. If infrastructure, steep slopes, or other constraints are severe enough, then we shouldn't allow *any* new development in these areas. For all of these reasons, we recommend the following changes:

- **Expand the 'a' overlay citywide.** Allow all housing types, affordable housing bonuses, and incentives for historic preservation and adaptive reuse currently allowed in 'a' everywhere.
- **Adopt a citywide anti-displacement strategy.** We appreciate the City's concern that application of the overlay could increase development pressure in areas where people are vulnerable to displacement. However, we do not agree that disallowing smaller and more flexible housing options in East Portland and other exempted areas is the appropriate response. It is inequitable to apply the size restrictions, diminishing current East Portlanders' property values, while not offering the same benefits that those owners inside the "a" overlay receive. **Strategies should not be restricted to certain geographies. Rather, they should be tailored specifically toward most vulnerable populations, wherever they live.** We encourage you to work with the Anti-Displacement PDX Coalition to ensure that this Comprehensive Plan Implementation Project will a) mitigate increased displacement pressures for people of color and low-income residents, and b) create racially and economically equitable outcomes.
- **Eliminate all minimum parking requirements:** Parking minimums drive up the cost of housing. In service of Portland's housing affordability, climate, and transit goals, the city should move to a parking allowance system, rather than minimum requirements, citywide.¹
- **Allow mid-block triplexes:** We see no reason to incentivise a less energy efficient form (detached ADU) over either an attached ADU or just a small triplex. In addition, design concerns are easily mitigated, and as such don't warrant restricting triplexes, and bonuses associated, to corner lots only.
- **Expand incentives for preservation and adaptive reuse:** In addition to allowing incentives for preservation and conversion of older housing stock everywhere:
 - *Encourage preservation & adaptation* of homes at least ten years old by allowing them to be internally divided into up to four units.
 - *For historically significant homes:* Strengthen and expand application of 33.445.610.C.2 to more homes, which allows up to one dwelling unit for each 1,000 square feet of site area. Consider no maximum density for historic homes.

¹ At a minimum, in neighborhood areas that are a quarter mile or less from frequent bus service as defined in the current parking code, or a half mile or less from high capacity transit, eliminate on-site parking requirements for ALL housing types. We call to attention to this benchmark from Portland-based transit consultant Jarrett Walker: "We generally assume that 400m is a rough upper bound for slow local-stop service, and that for rapid-transit (usually rail) we can expect people to walk up to 1000m or so." <http://humantransit.org/2011/04/basics-walking-distance-to-transit.html>, and to this one from Puget Sound Regional Council "Research shows that riders will typically walk up to ½ mile to access high-capacity transit and ¼ mile or more to access bus transit." <https://www.psrc.org/sites/default/files/tsdluguidancepaper.pdf>

- *For all adaptive reuse projects:* Allow two detached ADUs to be attached to each other, rather than requiring three detached structures. Keep provisions that afford greater site and FAR flexibility and that reduce or remove parking minimums.
- Create meaningful incentives for projects that choose to internally convert, build multiple ADUs, or pursue other adaptive reuse strategies. (Incentives could include SDC fee waivers, elimination of on-site parking requirements, or financing assistance for lower-income homeowners.)
- **Strengthen the affordable housing bonus:** The current affordable housing bonus - an additional 0.1 FAR for making one unit affordable or payment in lieu - will likely result in a few payments to the affordable housing fund, but very little affordable housing being delivered on-site. Instituting a meaningful bonus scheme would make the development of affordable homes far more feasible for any developer, including non-profits such as Habitat for Humanity, Portland Community Reinvestment Initiatives, or Proud Ground. The bonus should also adequately incent private developers to opt in, thereby encouraging, not stifling, more of the beneficial non-profit/private partnerships being leveraged effectively in Portland today. **A strong affordable housing bonus would have a considerable impact on our ability to begin to repeal exclusionary zoning in many places, and begin to create truly income-diverse neighborhoods.** We recommend adjusting the affordable housing bonus structure to:
 - Allow bonus unit [and increased FAR] for providing one or more affordable units on site (up to 80 percent of area Median Family Income).
 - Provide additional FAR for family-sized (2+ bedroom) units utilizing this bonus.
 - Keep the payment in lieu option as structured: Allow a bonus of 0.1 FAR when payment is made in lieu of providing an affordable unit on site.
 - Exempt projects utilizing the affordable housing bonus from all visitability requirements.
- **Add a bonus for fully accessible projects:** We appreciate & support staff's efforts to make more housing accessible to seniors and those living with disabilities.
 - Allow bonus unit [and increased FAR] for providing 100% fully accessible units on site. This will allow accessible four-plexes to be feasible, offering lower-cost, accessible market-rate homes.
 - Consider expedited review, fee waiver, and/or other incentives for fully accessible projects.
 - Do not allow payment in lieu of providing accessible homes on site.
- **Re-introduce an exemption from visitability requirements for lots with a 10% or greater slope** towards entries from the right-of-way.
- **Cottage cluster code.** We support staff's recommendation to allow cottage cluster developments on suitable neighborhood sites. However, the current proposal does not produce Cluster developments that reflect those successfully implemented in other places.² Alter the proposal to allow, by right, cottage cluster developments that exhibit key cottage cluster features and meet these specifications:
 - Reduce allowed home size to 800 - 1,000 square feet maximum.
 - Allow increased density above the base zone in exchange for providing these smaller homes.
 - Orient homes toward shared courtyards, and locate parking (if any) toward the periphery.
 - Allow a subdivision approach for cottage clusters to enable fee-simple ownership.
 - Allow bonus homes in exchange for affordability and/or visitability, beyond the base cottage cluster density (or twice base code density).

Narrow Lots

Development on historically platted narrow lots represents a unique opportunity to share the cost of land among multiple homes, supporting the City's stated goal of providing more housing options at purchase prices

² Here is one example from the City of Langley prepared by the Cottage Company: <http://www.oregon.gov/LCD/TGM/docs/SpaceEfficientHousingReport.pdf> (p. 68-69); Here is another from Grants Pass: <https://www.grantspassoregon.gov/DocumentCenter/View/4685> (section 18.300). NB: Both of these examples display slightly lower densities than might be desirable for more urban Portland infill.

that more families can afford. This strategy has been shown to provide deeper affordability than typical single-dwelling homes, especially when coupled with affordable homeownership programs. We support provisions that improve the design & aesthetics of homes built on these historically narrow lots. We also support improvements and clarifications to the R2.5 zone, especially allowing property line adjustments that can help preserve existing housing while adding more, smaller, and more affordable homes. However, to expand space-efficient and more affordable housing options to all parts of the city, we recommend:

- **Rezone all historically narrow lots from R5 to R2.5.** This flows naturally from an expansion/elimination of the currently proposed 'a' overlay.
- **Eliminate the landscaping requirement for narrow lot homes** (or apply to all homes not just this specific, less expensive, housing type).

Other Recommendations

- **Density calculations.** Calculate density before subtracting for ROW dedication, reflecting the fact that a wider sidewalk and planter strip affect the visual experience of a street in much the same way that a larger yard would. This is consistent with the City's current proposal for multi-dwelling zones.
- **Tree preservation.** A healthy urban tree canopy and offering smaller, discreet, and more flexible housing options go hand in hand. Design flexible code provisions that incentivize saving trees and creating less impervious surface. These incentives could include bonus units, parking requirement changes, and flexibility in building siting and setbacks, among others.
- **Fee-simple ownership options.** Rewrite provisions for mid-block duplexes and corner triplexes (or four-plexes with a bonus) to mimic the current corner duplex code, which allows each unit its own lot, and allows units to be owned separately.
- **Standards for flag lot homes.** Allow both height and size on small flag lots to match that of the base zone. This will more greatly incentivise preservation of an existing house, as intended.
- **Corner development standards.** Drop provisions that require front doors to face different streets.

How these changes will help better meet Portland residents' housing needs:

Portlanders share a desire for our city to be a place where all are welcome and everyone's interests matter, regardless of background, income, or age, whether renter or homeowner. An essential part of achieving this goal is to provide a wide array of housing options throughout our community.

The Residential Infill Project is long overdue, as Portland faces a housing crisis and increasingly large areas of our city have become unaffordable for residents of all incomes, and especially those of middle- and lower incomes. A successful Residential Infill Project will open all our neighborhoods to a wider range of housing options that are harmonious with surrounding homes.

A choice among downtown high-rises, five-story apartment buildings along certain corridors, and larger single-family homes misses the housing needs of many Portlanders. The majority of residential land in Portland is zoned to effectively leave out the young couple who has not yet started a family, the 70-something widow, and the single parent with one or two children. For young adults starting out on their own, saddled with college debt, smaller, flexible housing options like ADUs and duplexes might put first-time homeownership within reach. For Baby Boomers, the flexibility to downsize into retirement could yield senior-friendly options within existing communities, like an accessibly-built granny cottage or a flat within a larger home.

It is time to bring our zoning code into line with the needs of our families - today and tomorrow. Almost 2/3 of Portland households consist of one-two persons, and both Millennials and Baby Boomers are seeking more

affordable, more accessible, and more flexible housing options. The “Housing Choice” portion of the Residential Infill Project Proposed Draft would re-legalize some of these, including duplexes, triplexes, rowhouses, accessory dwellings, and cottage clusters. Diversity in housing options can be especially important for families of color, helping to address historic and long-term inequities that have kept generation after generation from achieving homeownership.

Allowing more compact, diverse housing types in all residential neighborhoods serves the desire for walkable, less-auto-dependent urban living, while helping meet Portland’s climate and sustainability goals. Smaller, residential-scale housing allows more tree canopy. And, smaller housing types are more affordable to construct per square foot than higher density forms of multi-family housing that require elevators, sprinkler systems, and adherence to commercial building codes. Finally, these housing options support population densities necessary to foster vibrant, walkable neighborhoods - as evidenced by older Portland neighborhoods built out with a mix of housing types.

The April 2018 Proposed Draft is heading in the right direction by increasing housing choices and scaling down allowable single home sizes. Adopting the key changes outlined above will greatly improve the proposal’s ability to deliver more flexible and affordable housing options to Portlanders.

Thank you for considering our feedback. We look forward to engaging further, and we sincerely thank staff and Commissioners for your tireless work, on behalf of all Portlanders in search of a place to call home.

Sincerely,



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