

October 26, 2016

Linda Bauer, Appointee - East Portland Action Plan
Sarah Cantine, Architect - Boise NA Land Use
Jim Gorter, Appointee - Southwest Neighbors, Inc.
Rod Merrick, Architect - Eastmoreland NA Land Use
Rick Michaelson, Appointee – Neighbors West/Northwest
Michael Molinaro, Architect, Appointee – Southeast Uplift
Barbara Strunk, Appointee – United Neighborhoods for Reform

We are representing a coherent and cohesive third of the RIPSAC appointees. Our shared perspective is to approach planning as neighborhoods, building around centers in **neighborhood context** consistent with supporting Goals in the 2035 Comprehensive Plan.

Subject: Comment on the October 2016 Residential Infill Project (RIP) Concept Report

We focus first on the big picture impacts of the latest iteration, the “Concept Report to Council”. Following this is a discussion of the issues that frame our concerns, from speculative demolitions to the zoning code that is misaligned with values in the Comprehensive Plan together. The numbered **Recommendation** refer to the *RIP Proposals*. We then look for common ground in the three subject areas that the RIPSAC was chartered to address. In the summary we highlight our recommendations.

Significant Implications of the “Concept Report”

- **The entire inner east side and part of the west side of Portland is to be rezoned by assigning an overlay designation that increases allowed density by 200 to 300%. The already compromised R5 zoning density designation with its substandard minimum lot sizes is retained. The plan encourages triplexes on every corner, duplexes or a house with two accessory dwelling units on every 3,000 to 7,000 SF lot, and cluster housing on every lot of 10,000 SF or greater. The speculative justification is that such innovative housing is desired in Portland.**
- **Ownership standards are implicitly restructured from fee simple to a condominium basis since ADUs will no longer be “accessory” but able to be sold independently as will the duplexes, courtyard clusters, and corner tri-plexes that will be constrained to a single tax lot under the plan. Portland will likely transition to a city of investor-owners and renters as resident owners are displaced.**
- **The density encouraged by this “overlay” is greater than that permitted in the multi-family R2 (2,000 SF per dwelling) zone further confusing the intent and integrity of the density designated code. The single family neighborhood zone, an essential characteristic of this city with one house per lot is effectively erased from most of Portland.**
- **By widely distributing density the proposal fails to focus density around centers consistent with the 2035 Comprehensive Plan. Neighborhoods that did not fit the ¼ mile bubble distance from corridors have been declared “housing opportunity zones” with insufficient justification. Parking impacts are not addressed and transportation benefits are not analyzed. West side neighborhoods not within 1/4 mile of corridors and Portland’s west suburbs are not impacted presumably to diffuse opposition. The David Douglas school district is excluded while they develop a school expansion plan.**

- The purported scale reduction is a paper tiger. The one size fits all approach allows structures greater than roughly 80% of the existing housing stock. Except for constraining the few very large houses and limiting the size of triplex and small lot units, little has been done to reduce the scale of buildings. Nevertheless the home-builders, who vigorously supported the concept, are already asking for a larger envelope.
- The proposal entitles developers of new or remodeled multi-family structures a salable area of roughly 4000 square feet, including the basement level and the 15% density bonus in all impacted neighborhoods zoned R5. An additional size bonus for converting existing homes to multi-family with additions is proposed. The economic analysis (Appendix A) presumes that the saleable area of the structure is 2500 SF for a 5000 SF lot. Consequently the economic analysis may be characterized as erroneous at best. Increasing the number of rental or condominium housing units on a site will certainly accelerate speculation, demolition and displacement in the most vulnerable neighborhoods and remove our most affordable housing stock.
- The building types proposed are neither innovative nor in demand in this form. All are currently allowed in the appropriate multi-family zones in the city of Portland. Thus far there appears to be a very limited market for these housing types except in the form of older houses divided into low rent apartments. Because of fire, seismic, and acoustic privacy requirements such remodeling is expensive. Despite areas zoned to allow such housing, few if any such buildings are now being constructed. New multi-family structures are far more efficient and tested. Planning staff suggested that they will recommend changes to the Building Code to reduce requirements tailored to such conversion projects.
- The proposal is draconian, untested, and non-responsive to the public comment process. Out of all the opposition in public meetings, and of the 30 NAs that provided comment three have expressed support for this concept. It may be that those neighborhoods are in need of such redevelopment and the residents may be supportive. If so they should be considered as test sites for the “overlay” for a period of 5 to 7 years to better understand the implications.

Discussion of Concerns that Set the Stage

We oppose one-size-fits-all zoning standards that we perceive as contradictory to goals in the adopted comprehensive plan and are not respectful of the variety of neighborhood characteristics that exist in the city, and which lead to simplistic and polarizing regulations. While **Recommendations 1, 2, and 3** address scale, height, and setback in a way that addresses problems with the zoning code, they fail to recognize that **contextual standards** should be a guiding principle. Los Angeles and other cities are modeling this approach. Portland is proposing a generic solution that encourages undifferentiated neighborhoods.

We support the diversity of the neighborhood character. District planning is needed to guide where and how additional density should be accommodated recognizing that the condition of housing, scale, history, economic factors, and displacement considerations all play a significant role in defining what is appropriate.

We support “truth in zoning”. This is essential for rebuilding public understanding and confidence in the planning and zoning process and providing clear guidance for owners, designers, builders, and for the land use review process. Considering the primary metric for the zoning code is

density, we oppose the “alternative” housing **Recommendation 4** in the R5 and R7 zones that further undermines the intent and purpose of this tool. Densities proposed for the now meaningless “R5” zone would exceed those now allowed in the R2 zone.

We oppose recognition of historic underlying lot lines except where these align with the density standards within the zone designation. The result for our neighborhoods has been destabilization, demolition, and speculation. **Recommendation 7** begins to address this issue but only for skinny houses.

We support additional zoning density around Centers and *where appropriate* along Corridors as in the current and 2035 Comprehensive Plan, to reinforce the establishment of *new and existing* centers, walking scale neighborhoods, use of transit and reduced auto dependency. This is a successful model advocated during the past 40 years and is yet to be realized, either in Portland or in the Metro Region. Scattered site middle housing in **Recommendations 4, 5 and 6** undermines this goal.

We Support density around centers and some corridors and oppose the scattered site density that results from the rezoning the entire eastside “housing opportunity zones” and ¼ mile bubbles in **Recommendation 4**. Scattered “middle housing” defeats comprehensive plan goals to focus density around walking scale currently underbuilt centers. The widespread application of “middle housing” zoning is likely to accelerate price increases in an already overheated market, destabilize neighborhoods, and cause loss of viable and more affordable housing and increase demolition and displacement. Already we encourage ADUs that alone, if fully utilized, would increase density by 50% everywhere.

We object to speculative zoning the practice of implementing zoning regulations without testing and modeling physical and economic impacts for proposed code changes prior to drafting and implementing zoning code changes. Often these changes seem to be driven by interests whose primary concerns are for a particular niche of real estate development in contrast to the public interest. Earlier decisions to allow recognition of underlying lot lines and compromised lot sizes as well as **Recommendations 5 and 4** are examples.

We object to unsubstantiated claims of creating “affordable” housing for everyone by Portland For Everyone. **Recommendations 4 and 5** are being promoted as a “grand bargain” by housing advocates who have modeled their faith on a failing (<http://www.seattletimes.com/seattle-news/politics/mayor-murray-withdraws-proposal-to-allow-more-density-in-single-family-zones/>) Seattle initiative by using the same slogan. There has been no analysis and no evidence that these proposals will result in affordable housing regardless of how it is defined.

At a recent presentation, a lead Portland planner claimed that if you placed more units on a given piece of land the cost per square foot would be lower. If the land price remained unchanged, yes the cost of the land would be divided among the units. But the reality is otherwise. As long as there is strong demand for housing and it can be profitably built and sold, rezoning for increased density will cause the value of the land to increase. Where is the example of a split lot where the one or two replacement houses (regardless of size) without public subsidy are less expensive than the house demolished? Show us the densified city that is thereby made more affordable unless in a state of decay. When is the cost per square foot for a smaller house less than for a larger house? Given the same quality the reverse is true. We must address housing affordability as a regional issue with care and urgency not an excuse to provide a handout of speculative profits and the cost of demolition, displacement, and livability.

Common Ground And Points Of Agreement

Considering the *three areas* included in the RIPSAC charge there are areas where we found common ground and points of agreement with the staff proposal and with housing advocates and construction related interests on the RIPSAC:

Scale and Massing Issues: One of our principle concerns and one clearly expressed in the Comprehensive Plan is “one size does not fit all”. The staff report fails to satisfy that issue or the issue of scale in general. However, there is a good deal of consensus about the general direction of the recommendations regarding size, height, setbacks, placement of off-street parking, etc..

Narrow and Skinny lots and Recognition of Underlying lots of record (lot splitting): There is a good deal of disagreement here since the one-for-two house demolition infill and skinny garage housing has become a business model for some developers who have represented these as “affordable” housing and thus aligned themselves with housing advocates.

These lot line policies have been applied indiscriminately across the city, are making a lot of folks very unhappy, are certainly not producing much new housing. Market rate new housing is not affordable but rather very profitable and is systematically removing more affordable housing. *We support the staff recommendation that begins to address Truth in Zoning by limiting the use of these underlying lot lines for splitting lots in the R5 zone.*

We also agree is that the underlying lots should be recognized where the lot division is consistent with the density standards in the zoning code. Otherwise *the experiment with complex and confusing code provisions encouraging this kind of wasteful demo-development should end.* The Concept Report states that the State made the city recognize these lot lines above zoning standards. This is false.

Innovative housing Types: As we explored these ideas it became increasingly clear that developers are not building to the density already generally allowed around centers and corridors. *The housing types discussed were not so much innovative as not being built where the code allows.* The current zoning around centers is appropriate and needs refinement not more scattered density across broad areas of the city. *This proposal received a widespread and justifiably hostile reaction from the public as a handout to developers and a formula for speculation, accelerated demolition, and neighborhood disruption and displacement.*

Summary Recommendations

Key recommendations include:

- Create development standards that fit neighborhood context and aspirations.
- Test and model physical and economic impacts for proposed code changes prior to drafting and implementing zoning code changes. *Testing includes implementing zone changes in neighborhoods that support the proposals and evaluating the impacts.*
- Ensure that scale of houses fits neighborhood context, protect solar access and privacy, and maintain individual and shared green spaces.

- Use commonly understood terms and provide clear definitions of what is allowed in each zone, a concept known as “truth in zoning.” Avoid contradictory criteria such as the use of density when lot sizes are the governing criteria.
- For areas in the City intended for higher density and alternative housing, proceed with rezoning for the higher density.
- Allow historically platted narrow and skinny lots to be *confirmed only* in the R2.5 zone.
- Save viable existing housing. The most affordable housing is almost always housing that is already in place.
- Actively engage neighborhood and business associations to participate in decision-making during planning exercises and for major developments to improve understanding of context and needed design guidelines. Respond to thoughtful suggestions and criticism.
- Direct density to centers, **consistent with the above recommendations** and the Comprehensive Plan, to reinforce the establishment of centers, walking scale neighborhoods, use of transit and reduction of auto dependency.

We have given many hours both in the RIPSAC meetings and many more hours in meeting as a group to formulate our analysis and recommendations summarized in this analysis.

We all care deeply about our city and we applaud the effort to consider how and where to focus housing density and how to guide the growth of the city in a period of rapid growth. This was a promising start that ultimately ran off the rails. **If the concern is affordability this project is a false promise. If the concern is a more walkable lively city, this is a false promise.**

We challenge ourselves and all Portlanders to think in terms of a vision for Portland and the region that builds on the good neighborhoods that we have and figure out how to encourage those elsewhere in the region before we do irreparable harm to what we have.