



CITY OF PORTLAND
Planning & Urban Development
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To: Senator Hickman, Speaker Fecteau and Members of the Commission.

From: Christine Grimando, AICP, City of Portland, Director of Planning & Urban Development

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RE: Summary of Testimony

The following is a written summary of my comments to the Commission on September 9th regarding Portland's local housing tools, policies, and priorities. Following a summary of my comments I also summarize the questions asked by Commission members.

For years the City of Portland has documented the need for more affordable housing more housing supply overall to meet the needs of current and future residents of the city to support Portland's own goals for growth, for equity, and to encourage a population that can support a strong local economy, support transit, and support complete neighborhoods. Though Portland has built approximately 1400 units of housing since mid-2017, housing affordability and supply issues have only been exacerbated since the onset of the pandemic. Portland has implemented a multifaceted suite of housing policies to both encourage new housing creation and require affordability. The below briefly summarizes Portland's current suite of policies, and considers initial considerations for additional, future strategies:

- *Portland's Plan 2030*, the City of Portland's 2017 comprehensive plan and the foundation for the city's land use and other policy areas, foregrounds housing as one of the city's most pressing issues, and one connected to all facets of the city's vision - equity, sustainability, and security among them. Though many of the housing initiatives below precede 2017, the plan supports new and ongoing initiatives in this area.
- The city's land use code has included provisions since the early 2000s that require that any development proposals that would remove existing housing replace those units, either within the same geographic area or by contributing to the city's Housing Trust Fund.
- Portland has implemented changes in several zoning districts to allow for greater housing creation, including adjusting the dimensional standards in several neighborhoods and corridors, to allow for smaller lots and higher residential densities. These provisions have generally been targeted towards

higher density residential zones and mixed-use zones well-served by transit, on the grounds that they create opportunities for housing development in areas of the city that are particularly well-prepared for them. These include areas of Portland's peninsula, but also strategic locations throughout the entire city.

- In late 2020, Portland adopted expanded Accessory Dwelling Unit standards, making it substantially easier to create small increments (up to two ADUs per lot) of new housing on residential properties across the city.
- The city's land use code has long included a great deal of flexibility when it comes to parking, including exemptions in certain zones, shared parking provisions, and off-site parking allowances. As of December 2020, the city's land use code offers an off-street parking exemption to any use within a ¼ mile of a transit, essentially freeing much of the city from parking requirements, expanded the suite of tools available to reduce parking requirements, and lowered the minimum parking required per residential dwelling city-wide.
- Density and height bonuses, as well other dimensional flexibility such as reduced setbacks, are given to affordable and workforce housing proposals in some zones. Extent of bonuses and fee reductions are scaled to the proportion and extent of affordability for each project.
- Affordable housing projects have been eligible for a reduction in fees and priority application review since the mid-2000s. With the passage of an impact fee ordinance in 2018, these affordable housing fee reductions were extended to include impact fees.
- As of 2015, the city adopted inclusionary zoning, which requires that projects of 10 or more dwelling units provide a share of workforce housing either on-site or as a contribution to the City's Housing Trust Fund. A second inclusionary zoning policy was adopted in 2019 for hotels.
- The City of Portland has made the potential for affordable housing creation a priority when considering disposition of city-owned property.
- The creation and funding of the City's Housing Trust, through tools such as Inclusionary Zoning, is itself a strong tool for helping to directly finance affordable housing proposals.
- The City's Housing division administers HOME, CDBG programs, Housing TIFs and a number of other programs that provide critical financial assistance for affordable housing creation.
- As part of Portland's ReCode initiative, an evaluation and rewriting of our local regulations, we're in the midst of evaluating our codes for ways to further our housing goals, particularly through a lenses of sustainability, climate change and equity, including the lingering impact of discriminatory zoning practices from the 20th c. This builds directly on 2017 comprehensive plan goals.

We recognize that there is more to do on this topic and continue to actively pursue better and more ways to create equitable housing opportunities. There will not be one single housing policy or initiative that can sufficiently address this issue, and Portland's suite of housing tools are in recognition of this. The sum of Portland's policies also affirm that encouraging housing creation and diversity of types of housing is as essential to the overall health and accessibility of our housing supply as ensuring that we have dedicated affordable and workforce housing projects. Mixing both requirements and incentives continues to be central to our housing policy. Portland, like any community, has its diversity of neighborhoods and scales and infrastructure and opinions, and having proposals that recognize those different contexts is also critical to the

work we do, and critical to our prospects for successfully implementing change, and having the community understand and support the need for that change.

As a member of MMA's working group I have enjoyed speaking with my colleagues from across the state about our both our challenges in common, and not in common, and how we might work together toward positive change. I look forward to continuing that discussion. Thank you.

Several questions were asked by the Commission following my remarks that I've summarized below:

- One had to do whether Portland had single family zoning. There are two zones on mainland Portland, as well as zones on the City's islands, that only permit single family homes. These comprise a relatively small part of the City's land area. However, through Portland's Accessory Dwelling Unit provisions, there is no zone in the City that does not allow for more than one housing unit per lot, so in practice, all zones that permit residential uses, permit more than single family homes (I will note that the September 16th EVICTION LAB presentation to the Commission, which I found overall very interesting and valuable, indicated areas where multi-family was prohibited that did not accurately represent our actual regulations in this regard). As part of Portland's ReCode process, we are examining what areas of the City could benefit from changes to dimensional and use standards.

It's worth mentioning that the question of single family zoning is a compelling one to prompt communities to reflect on what the impacts of zoning are, but eliminating single family zoning is not itself a full response to a community's housing needs. There are zones in the City of Portland with no residential density limits at all, and a wide range of possible housing densities and lot sizes and height configurations in-between. There are also zones where multi-family housing is permitted but still relatively difficult to build due to other requirements beyond the allowed uses. Other standards, such as a minimum lot sizes, have as much impact not only on housing creation but walkability and sustainability as the category of single family v. multi-family housing types (a duplex on an acre lot v. a dozen houses + ADUs on small lots on a walkable street, for instance).

- Another question had to do with the impacts of recent citizen referendums, including changes to the Inclusionary Zoning ordinance that required a significantly greater percentage of housing projects to be affordable and at deeper levels of affordability. It is not yet a year since these changes went into effect, and too early to gauge the full impacts, since many projects that have been approved in the past year were ones that had begun prior to the new regulations going into effect. There are housing projects that we were anticipating to move forward that have not since the referendum changes, and also that we are seeing a small number of new proposals come in under the new regulations.
- The last question had to do with the impact of historic districts on housing. Historic designation is intended to retain the existing building stock, and so it by design reduces demolitions to facilitate new construction. It does not, however, reduce the maximum residential density – historic buildings have the same zoning allowances or restrictions as non-historic structures – so that buildings can be

repurposed from a non-residential use or a single family home to a multi-family home, for instance. New construction is permitted in new districts (where demolition is not the precursor), as are additions. In selective cases, such as structural deterioration, or a building in a district that is determined to not have historic significance, demolition may also occur. Districts can also help to retain existing multi-family development. However, the full impact of historic districts on housing costs and creation, neighborhood stability, and the local economy is the subject of a study that Portland is undertaking this year and early next which will provide more data and insight on this topic.