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Portland Planning and Sustainability Commission

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April 26, 2019

Mayor Wheeler and City Commissioners
City Hall
1220 SW 4th Ave
Portland, OR 97205

Dear Mayor and City Commissioners,

The Residential Infill Project makes important and fundamental changes needed to meet Portland's housing goals and needs. It positions Portland as an inclusive, welcoming city for all.

The proposal provides greater access to housing options in all Portland neighborhoods by allowing more units – at lower prices – on each lot, while reducing the overall size of each building. It is essential to reach our goals for compact development and more housing choices, including smaller family-sized units in more neighborhoods. It also advances climate goals by supporting smaller and attached housing types. To accomplish this, the proposal:

- Introduces “floor area ratio” (FAR) and redefines “height” to constrain the size of new homes and thereby reduce economic pressure to replace existing homes;
- Allows more homes to share a lot, with small accompanying increases in allowable FAR; and
- Expands options for infill development that preserves existing homes. This includes providing greater flexibility for accessory dwelling units (ADUs), flag lots on sites with existing homes, internal home conversions, and small additions to existing homes so they can continue to meet changing household needs.

In addition, the project makes other significant changes that help our neighborhoods provide the housing needed for a wider spectrum of our city's residents, including:

- Providing more housing options for our aging and mobility-impaired population by introducing new “visitability” requirements; and
- Introducing a FAR bonus to help create regulated affordable homes.

After 11 months of deliberations and receiving testimony from over 1,000 Portlanders, on March 12, 2019, the Planning and Sustainability Commission (PSC) voted to support the zoning code changes proposed in the Residential Infill Project. The entire Commission expressed support for the Residential Infill Project's ability to improve housing choice and diversity. They also shared concern about the potential displacement impacts from the changes. In the end, the Commission's final vote was 5 to 4 to support the proposal. Those members voting against the proposal made it clear they did so out of concern for displacement.



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All PSC commissioners expressed concern that Portland's current programs and funding are insufficient to protect low-income and minority renters and homeowners from **existing** displacement pressures.

The Residential Infill Project contains provisions that reduce displacement by limiting the size of new homes (creating less expensive housing options), providing new options for building around or internally dividing existing homes (rather than tearing them down), and permitting multiple homes to be built where only one is currently allowed.

Our analysis showed that these provisions would reduce displacement risk citywide compared to current zoning. This includes a reduction in neighborhoods such as Cully or parts of East Portland that have high risk of displacement today. However, the risk is increased in a few areas which could see more infill under the new code. This is because the land values and rents in these neighborhoods will tend to attract more development under the proposal than under current zoning.

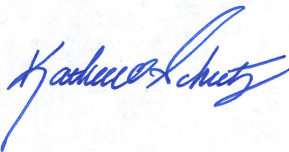
The Commissioners also recognize that this proposal, like current zoning, is unlikely to directly increase the supply of housing affordable to low-income households displaced from single family homes. The majority felt that, on balance, the benefits warranted advancing the proposal to City Council.

PSC members voting against the proposal felt that the impact to low-income and minority households is not acceptable. Some expressed concern that this could become a repeat of the displacement of the African-American community seen in inner northeast Portland. Some expressed concern about the particular impact on East Portland since the area has larger lots, lower land costs and potential to attract a large share of new infill development. These Commissioners recommended delaying the implementation in parts of the city where redevelopment pressure overlaps with high concentrations of low-income and minority households until resources and programs were in place.

In conclusion, we recommend the Residential Infill Project for adoption by City Council because it plays a key role in meeting our housing supply, access and equity goals. At the same time, our recommendation highlights the critical importance of crafting strong anti-displacement programs that accompany implementation and mitigate potential impacts from existing and new city regulations and investments on Portlanders with the fewest housing choices.

The PSC welcomes the opportunity to assist City Council in these efforts.

Respectfully submitted,



Katherine Schultz
Chair

