

Doug Klotz
1908 SE 35th Pl.
Portland, OR 97214
Oct. 27, 2014

Planning and Sustainability Commission

Re: Inclusionary Housing Zoning Code Project Proposed Draft

Chair Schultz and Commissioners:

I am very concerned that the current Inclusionary Housing Zoning Code package, including the Housing Bureau component, will significantly slow building in the Mixed Use Zones. 123,000 Households are expected to move to Portland by 2035. 50% of the planned new housing is slated by the Comprehensive Plan, for Centers and Corridors. From what you have heard from many developers and property owners at the Hearing on Oct. 25, the cost of developing housing that includes the required Affordable Units, and maintaining it for 99 years, in the Mixed Use Zones, will not pencil out. So, there is a clear danger that many developments will not happen, causing significant losses to the planned housing in Centers and Corridors, and not only not slowing down rising housings costs, but actually exacerbating the crisis.

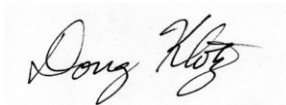
I urge you to look at a couple of avenues to increase the viability of this proposal:

1. Eliminate minimum parking requirements in all Mixed Use Zones. This will reduce the cost of the projects, as well as providing more room on the lot for housing units, instead of parking spaces. It is hoped that the proposed overnight neighborhood Permit Systems can be piloted or instituted at the same time as the new regulations go into place.
2. Add the Direct Subsidy that Mr. Tschabold described on Oct. 25, and increase the amount until, to the best of the city's ability, the development of projects with 20% of units at 80% MFI, will be financially feasible.

In order to get as much housing as possible in the Mixed Use Zones, I also suggest that you look at small lots, those of 7,000 s.f. or less, in the CM-2 zone. These are currently seeing 19- and 20-unit buildings in the pipeline. If less than 20 units, these would not trigger the I.Z. regulations. Yet, it is unlikely they will voluntarily include affordable units either. In order to encourage these small lots to be used efficiently, I urge you to raise the Base FAR in CM-2 lots of 7,000 s.f. or less, from the proposed 2.5:1 to 3.5:1, so the 19-unit buildings planned, can continue to be built, and supply needed housing after January 2018.

I urge you to consider the testimony of dozens of developers and others at the Oct. 25 hearing, and drastically revise the incentive package for the Inclusionary Zoning program, so that it will result in Affordable Units as well as market rate units being built at or near the rates we are seeing today.

Thank you.



Doug Klotz