



Home Builders Association
of Metropolitan Portland

October 27, 2016

Katherine Schultz, Chair
Portland Planning & Sustainability Commission
1900 SW Fourth Avenue
Portland, OR 97204

Re: Inclusionary Housing Zoning Project

Chair Schultz and Commissioners:

The Home Builders Association of Metro Portland (HBA) appreciates the opportunity to provide written comments on the Portland Housing Bureau's (PHB) recommendations for the Inclusionary Housing Project.

The HBA understands the housing challenges facing Portland and is committed to being an active partner to address these issues and ensure a successful inclusionary housing program. A significant number of our members construct small- to mid-sized multi-family projects in the city's mixed use zones and will be building a significant portion of the units under the proposal.

As noted during our testimony Tuesday, the city's Comprehensive Plan contemplates more than 60 percent of Portland's growth will occur in its mixed use zones. However, the vast majority of this process and modeling have been devoted to the Central City plan.

This was evident when the prospect of a potential cash incentive for mixed use zones was unveiled Tuesday without discussion – an implied acknowledgement that there are significant problems with the current incentive proposal.

It's also important to note that the particulars of development are different for smaller-scale projects. These projects often use different lenders, different investors and have different overall financial models than larger-scale projects. As such, there must be an equally robust review of the financial, pro forma models for small projects to ensure project feasibility and the production of overall affordable units.

In sum, more attention and energy must be paid to the city's mixed use and lower-density zones. This requires direct engagement from smaller developers working in those areas. To that end, we would encourage the creation of a mixed use working group to flesh out programmatic details to ultimately ensure a successful program for Portland and its residents.

The HBA values our relationship with the City and looks forward to working together on this critically important issue for Portland.

Home Builders Association of Metro Portland
15555 SW Bangy Rd., Ste. 301
Lake Oswego, OR97035
503-684-1880 • Fax 503-684-0588

Respectfully,

A handwritten signature in black ink, appearing to be 'PG', written in a cursive style.

Paul Grove
Director of Government Relations
Home Builders Association of Metro Portland