



Housing Opportunities Initiative

Portland Planning and Sustainability Commission

August 27, 2019



Portland for all



Why Housing Opportunities Initiative?

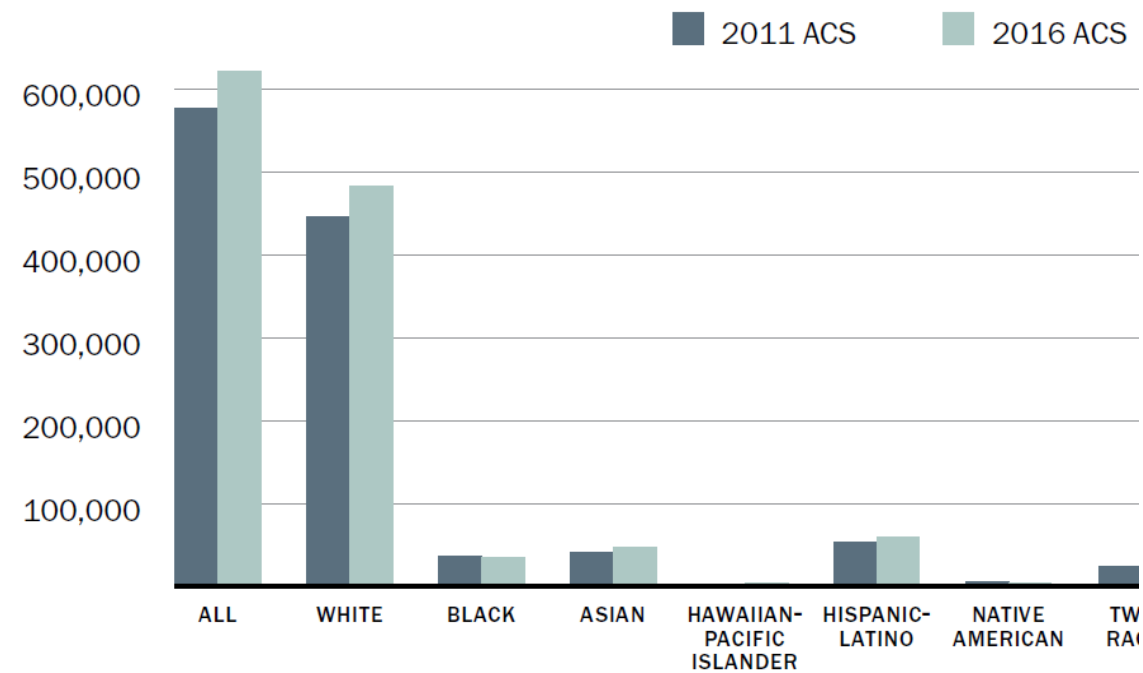


The needs of households are changing



- Growing by 260,000 more people and 123,000 households (2010-2035)
- Smaller household sizes
- Fewer households with children
- Greater racial diversity
- Older population wanting to age in place

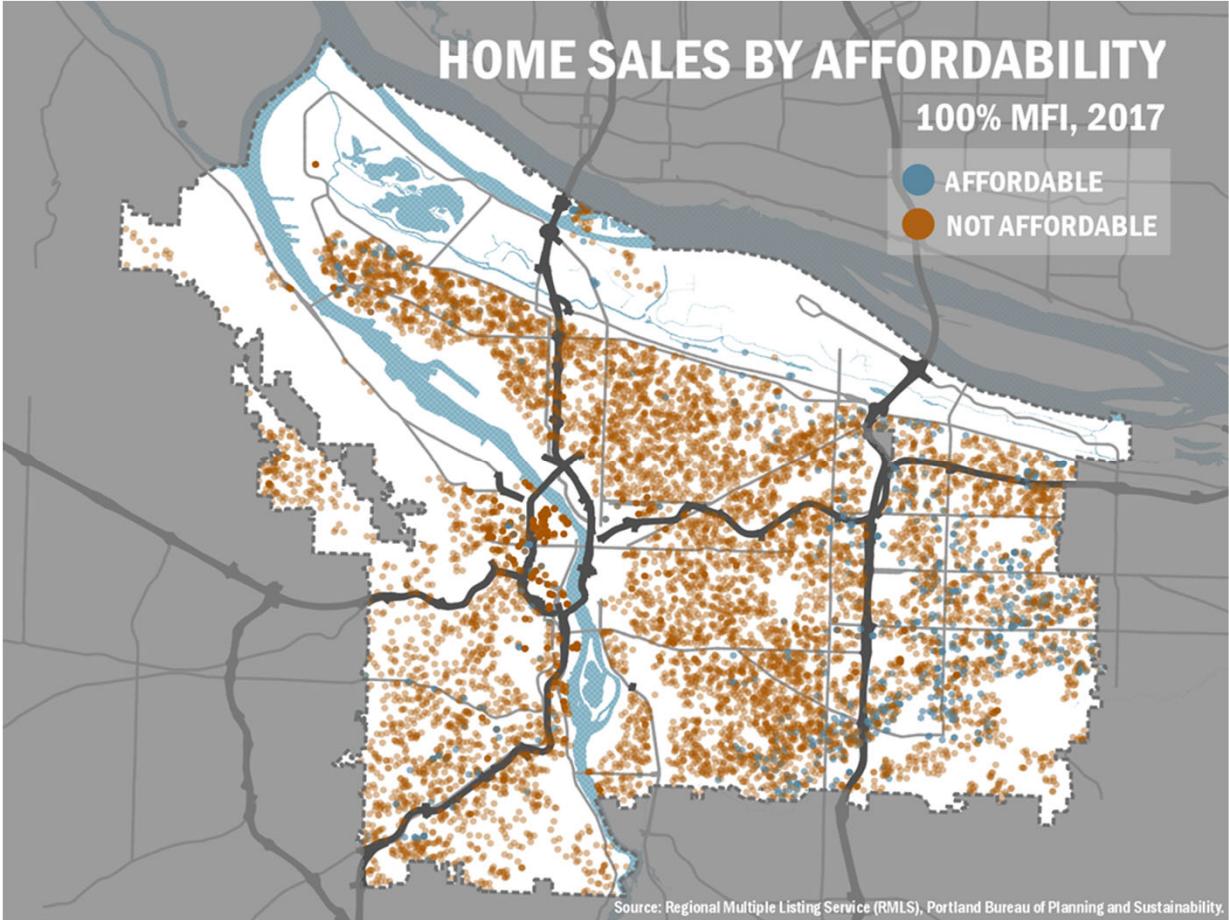
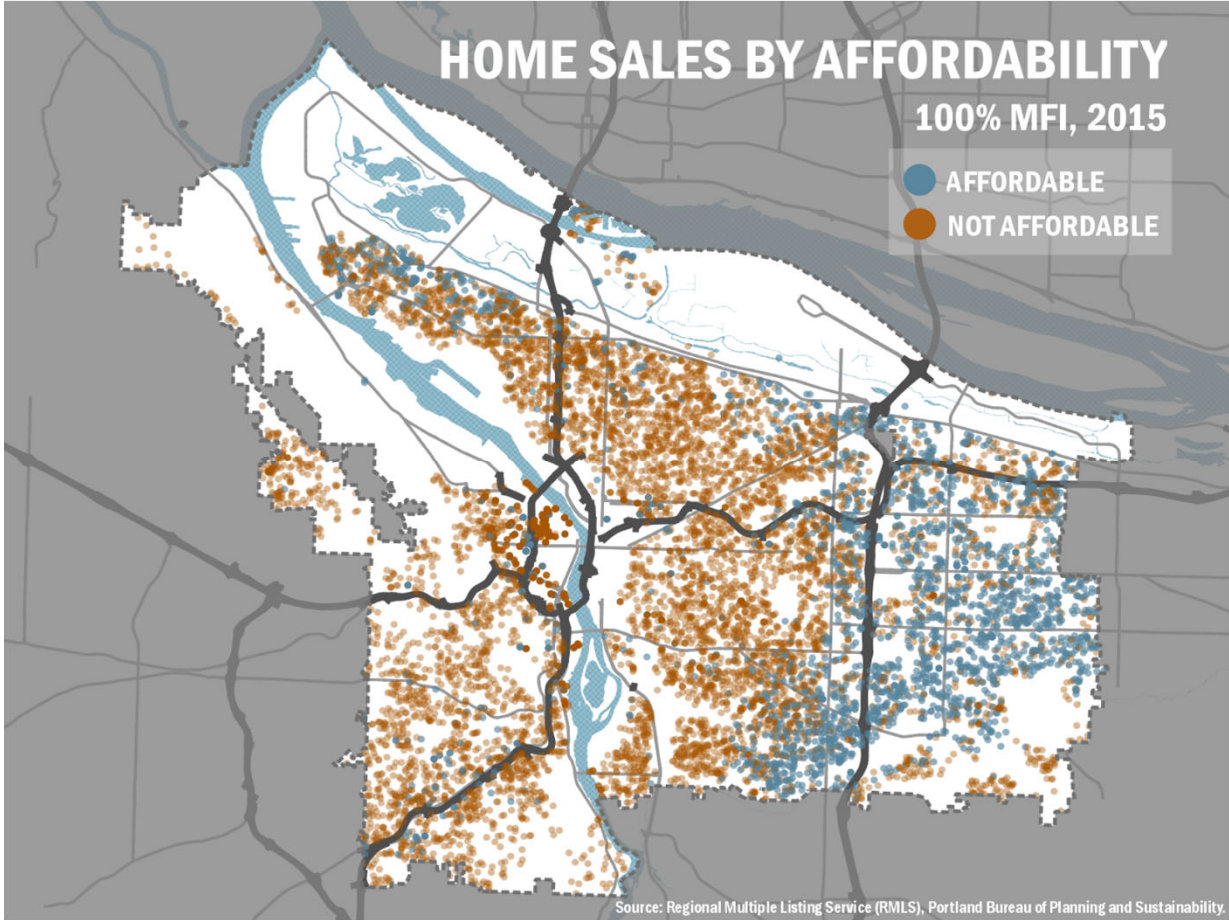
Fig. 1.1 Population by Race & Ethnicity



Source: U.S. Census Bureau - 2011 5-Year ACS Estimates, 2016 5-Year ACS Estimates

Notes: Race Alone Data, Hispanic-Latino can be of any race

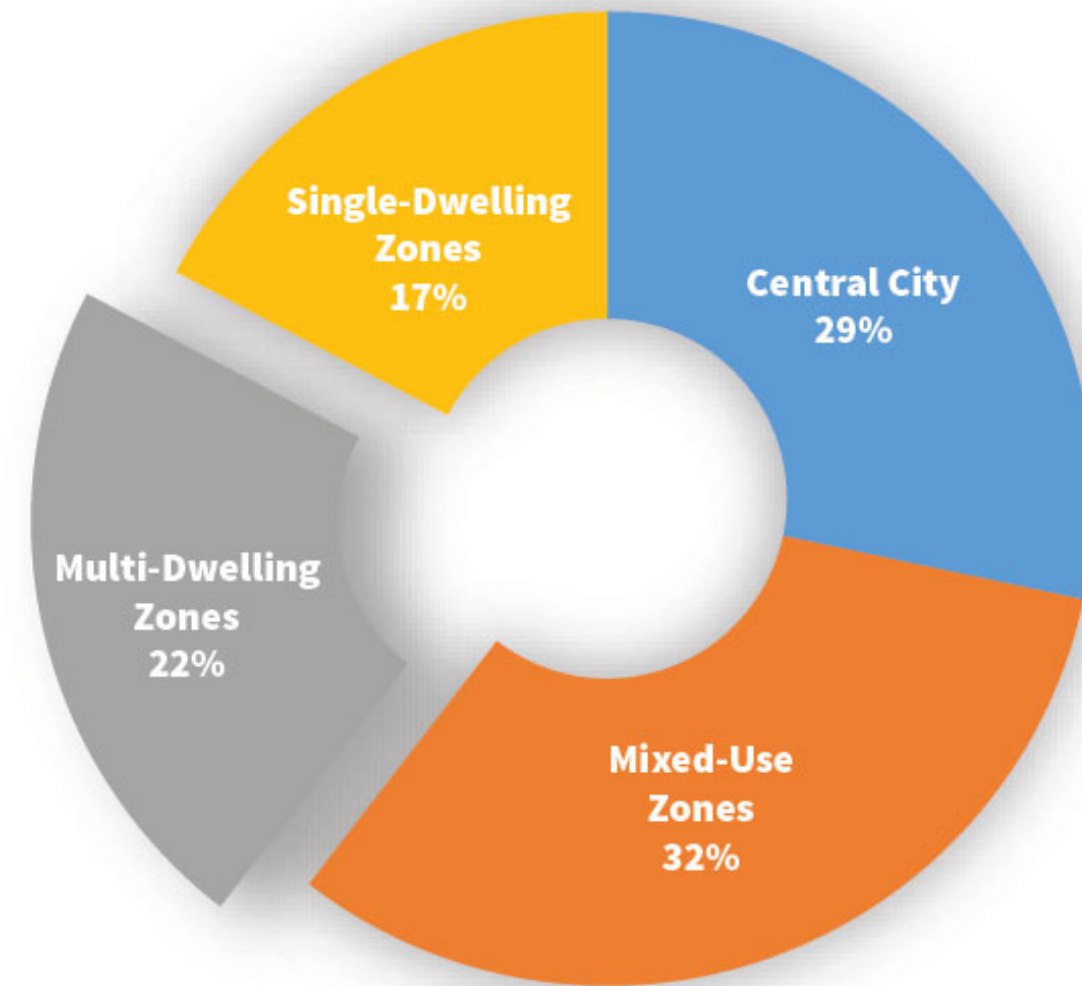
The cost of housing is becoming out of reach



The need for multi-unit buildings is growing

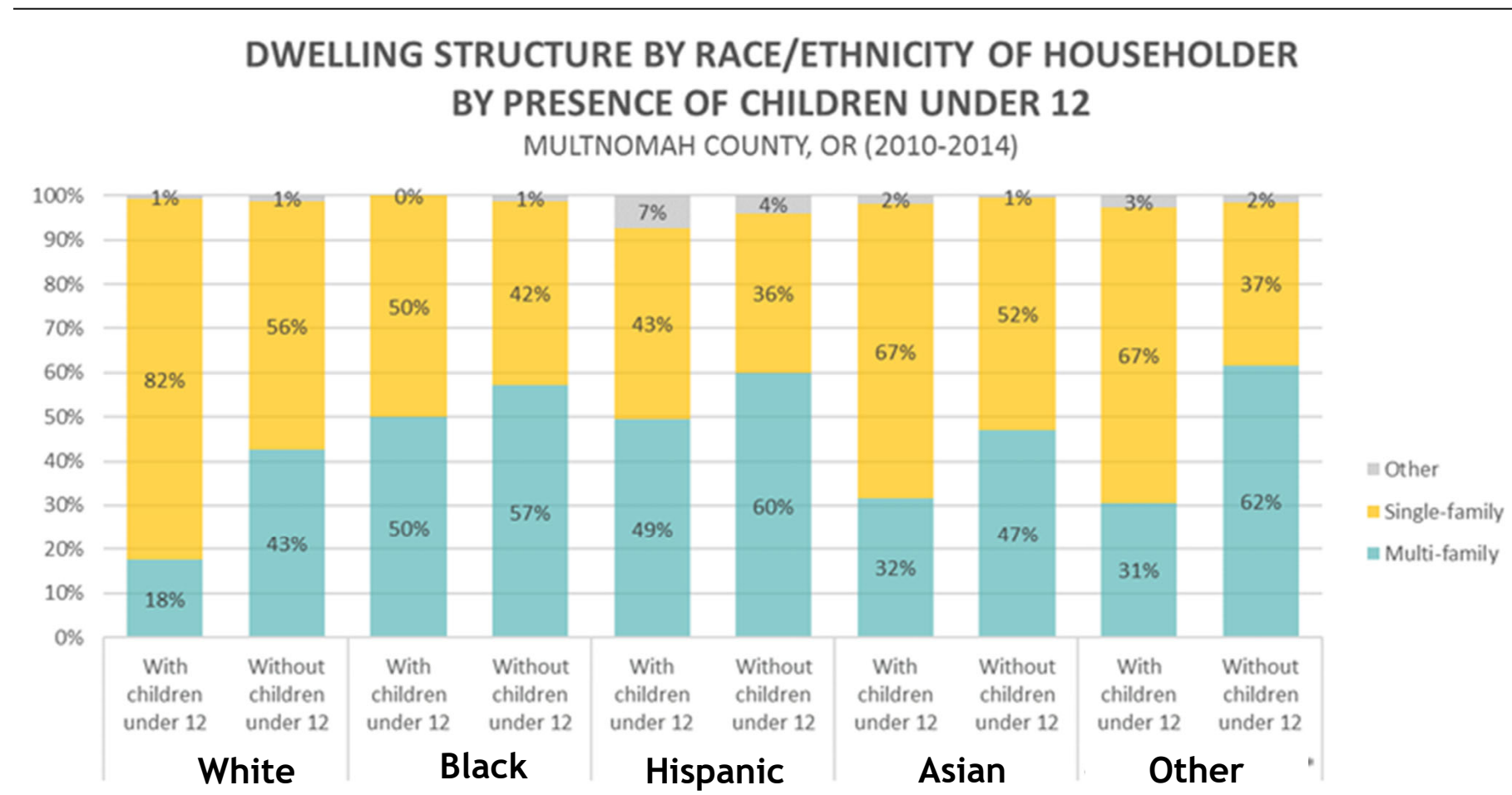


Almost a quarter of new housing anticipated by 2035 will be in the multi-dwelling zones.



% of total housing growth

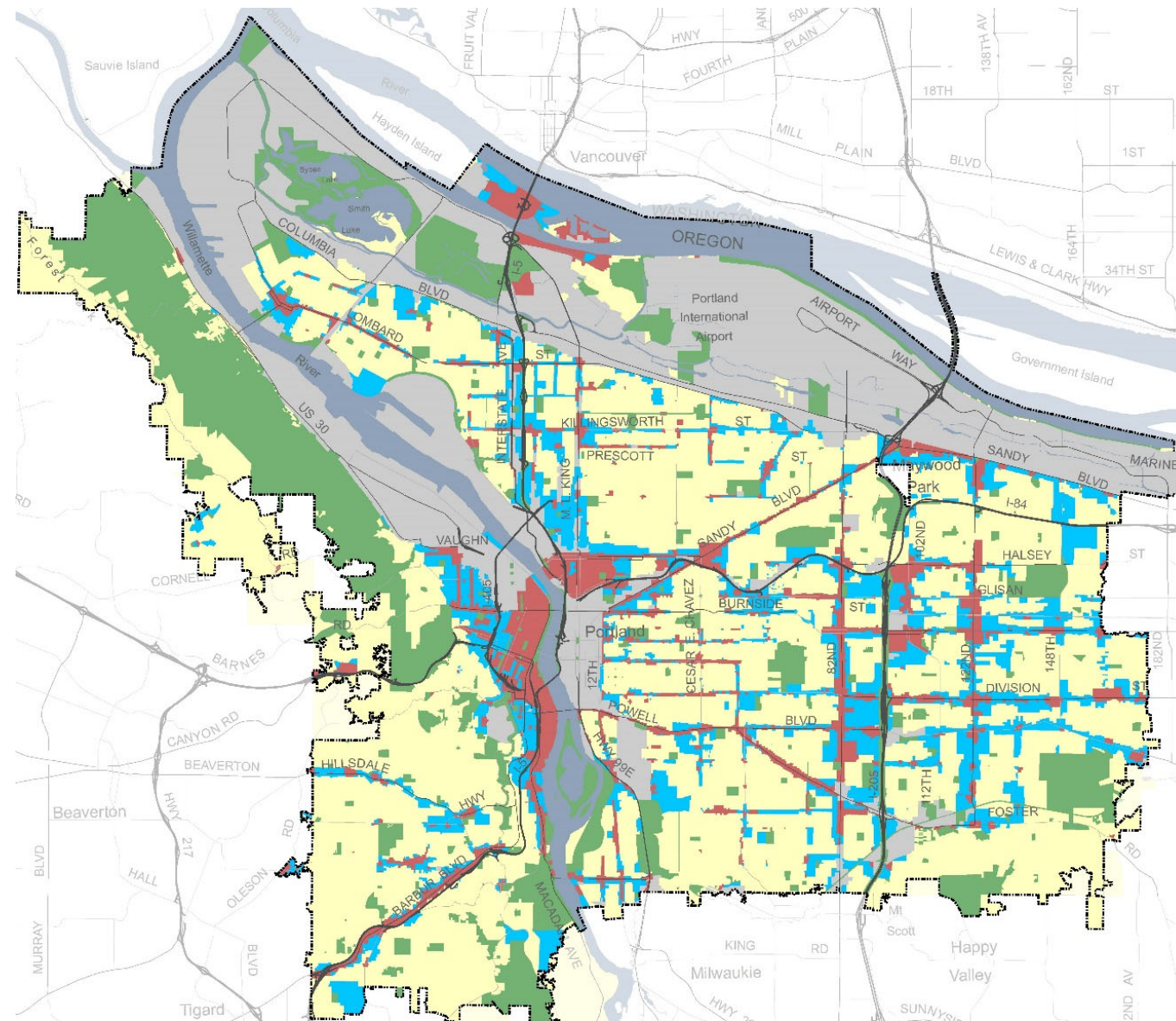
Multi-family housing serves Portland families



Who lives in multi-unit housing?

- Broad range of households w/ & w/o children
- Higher proportions of communities of color
- Half of African-American and Hispanic families with children

Zoning limits housing choice and supply



Use of Land

Single-Dwelling 43%

Multi-Dwelling 8%

Mixed Use 7%

Rewriting the code



Housing Opportunities Initiative



Implementing the 2035 Comprehensive Plan



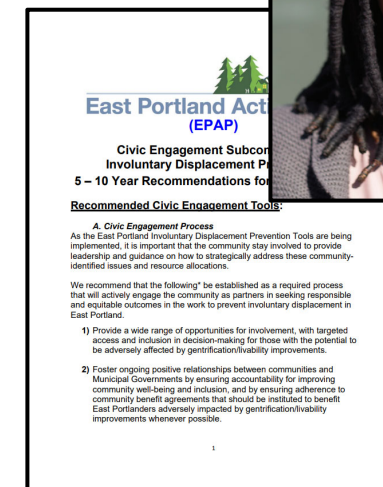
1. Engage communities of color
2. Analyze displacement impacts
3. Require affordability in private developments
4. Use community benefits agreements
5. Use capture-of-land-value increase
6. Support the return of displaced residents
7. Require mitigation
8. Increase affordable homeownership
9. Use land trusts or land banks
10. Strengthen tenant protections
11. Apply to mixed-use development



Also building on community-led work



- PAALF People's Plan
- EPAP's Anti-displacement Recommendations
- CAT's SW Corridor Community-based Solutions for Equitable Development
- Urban League's Racial Equity Strategy Guide
- Urban League's State of Black Oregon
- All-in Cities Network – Policy Link



Anti-displacement Action Plan Framework



What are anti-displacement actions?



1. Preserve affordable housing
2. Stabilize local businesses & cultural institutions
3. Expand affordable housing, equitable development
4. Protect tenants
5. Mitigate for property tax and rent increases
6. Support community ownership/control of land
7. Develop new tools & strategies and involve new partners
8. Create and maintain systems for accountability

Focus on housing plus ...



Households or businesses

involuntarily forced to move from a neighborhood because of increasing market values, rents, or changes in the neighborhood's ability to meet basic needs in the case of households, or erosion of traditional client base in the case of businesses.

2035 Comprehensive Plan



Anti-displacement next steps



Leadership & Action

- Co-develop a specific proposal

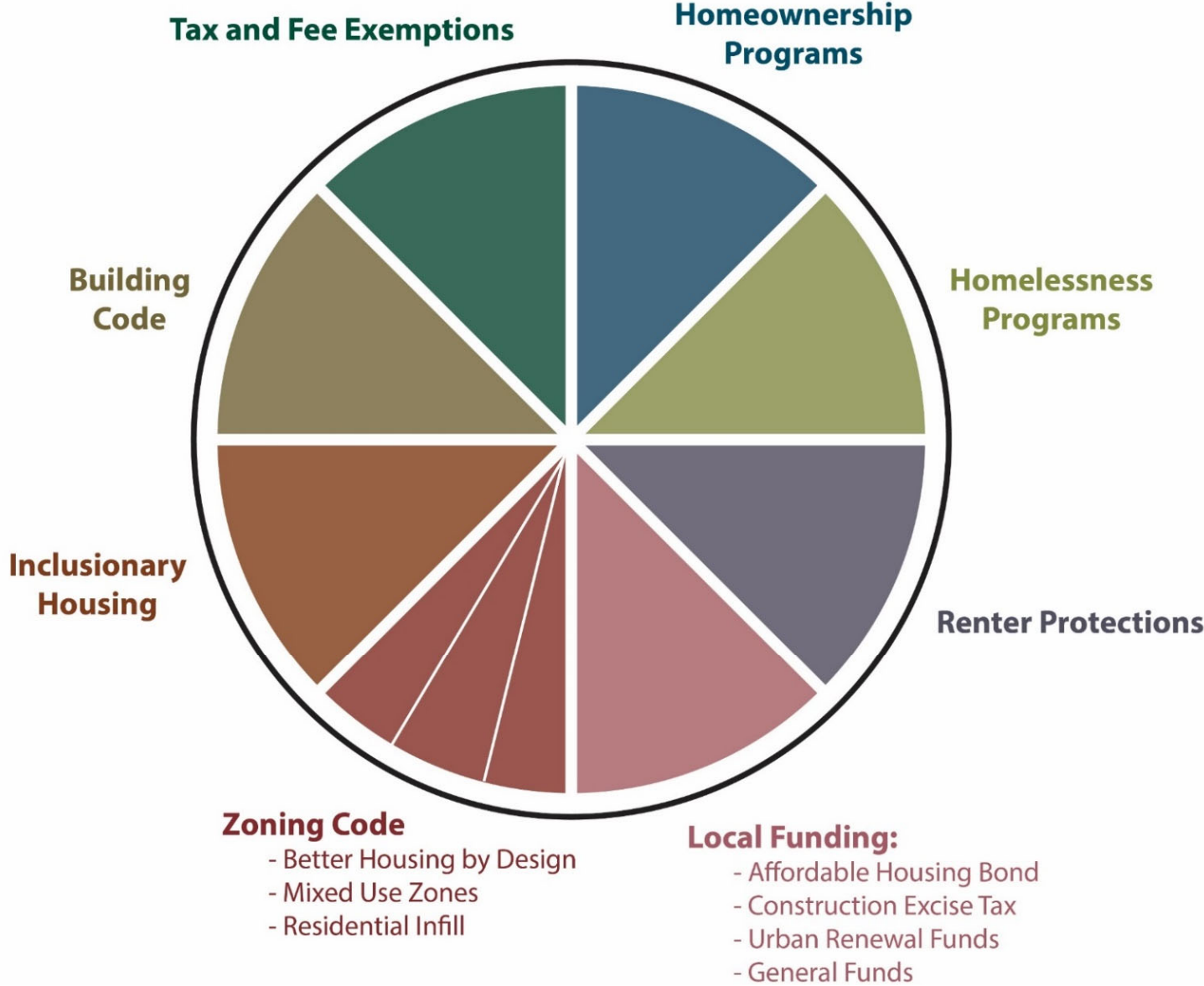
Accountability

- Begin tracking and evaluation of anti-displacement programs, actions and impacts

Coordination & Relationship-building

- Prepare root-cause analysis
- Organize and build capacity

Zoning is a *part* of the strategy





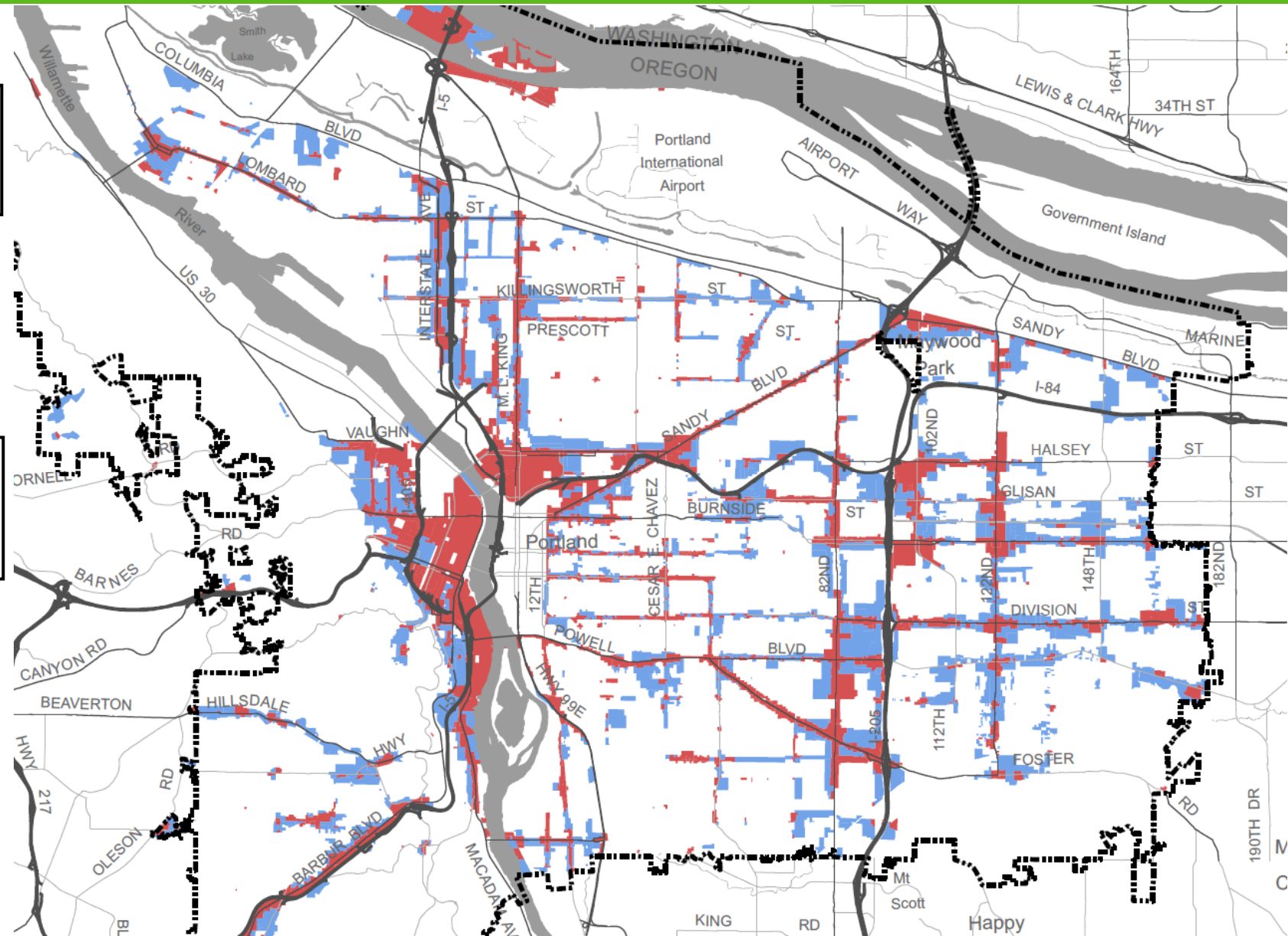
Better Housing by Design

Multi-dwelling zoning



**Multi-dwelling zones:
8% of Portland's land area**

■ Multi-dwelling Residential
■ Mixed Use



Project outcomes




- Creates more housing options
- Promotes affordability
- Ensures outdoor spaces where families live
- Improves building design and scale
- Addresses street connections in East Portland
- Provides strategies unique to East Portland



Diverse and less expensive housing options

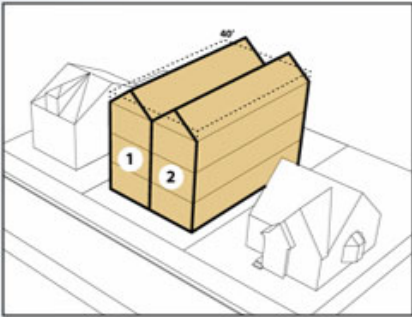


Past



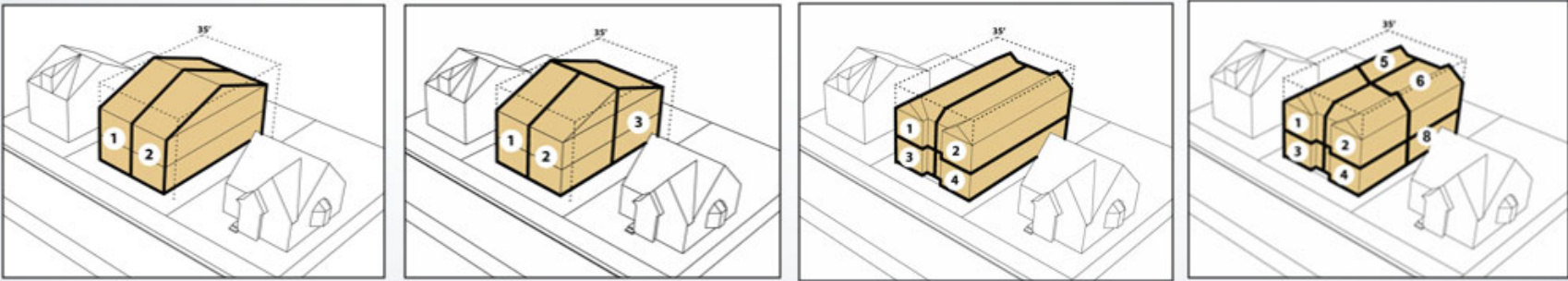
Duplex **Fourplex** **Small Apartment Building (eightplex)** **Courtyard Apartments**

Present



R2 zone regulated by unit density (maximum 2 units on 5,000 sq. ft. lot)

Proposed



Regulate by building scale instead of unit density – allowing more diverse and less expensive housing options

Affordable housing and visitable units



Base FAR	+50%	+100%
Base FAR	Bonus FAR Up to 50% above base	Bonus FAR 100% above base
<ul style="list-style-type: none"> ▪ Allowed by right ▪ Varies by zone 	<ul style="list-style-type: none"> ▪ Inclusionary housing: full 50% bonus ▪ Moderate income family housing: 25% bonus ▪ <u>Visitable</u> units: 25% bonus ▪ Preservation of existing affordable housing (development transfer) 	<ul style="list-style-type: none"> ▪ Special bonus for deeper housing affordability (At least half of units must be affordable at 60% MFI)

Development incentives prioritize affordable housing and visitable units

Outdoor spaces and green elements



Healthy active living – Feedback from multifamily residents:
Outdoor spaces important for recreation, social interaction, growing food

Outdoor spaces and green elements



Current

Outdoor space not required in higher density zones



Proposal

Ensure new development includes outdoor space and that large sites include common areas

Building design and scale



New development should contribute to pedestrian-friendly street frontages and respond to context

Building design and scale



Current

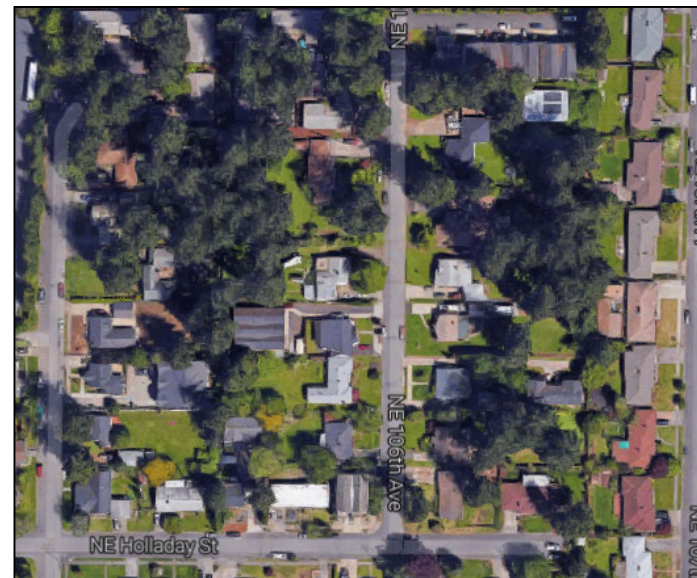
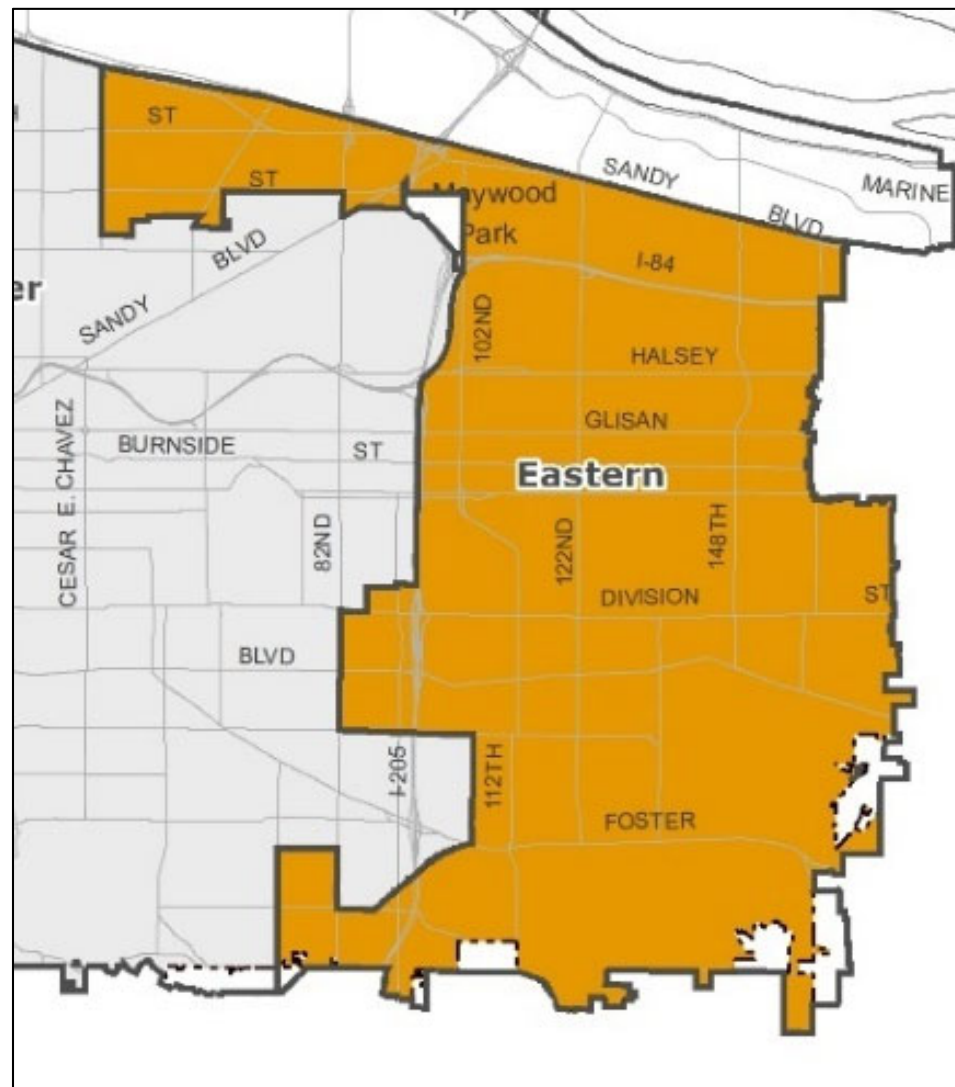
Few limits on front garages



Proposal

- Limit garages to 50% of facades
- Require street-oriented entrances

East Portland and street connections



Issues addressed:

- Large blocks with tree groves
- Infrequent street connections
- Many families with children living in apartments

Better Housing by Design summary



More flexibility for numbers and types of units +

New incentives for affordable housing and accessible units +

Requirements for outdoor spaces & pedestrian-friendly design +

New approaches for street connectivity +

=

More and better housing options for more Portlanders to live close to services, with design that supports active living and connected communities

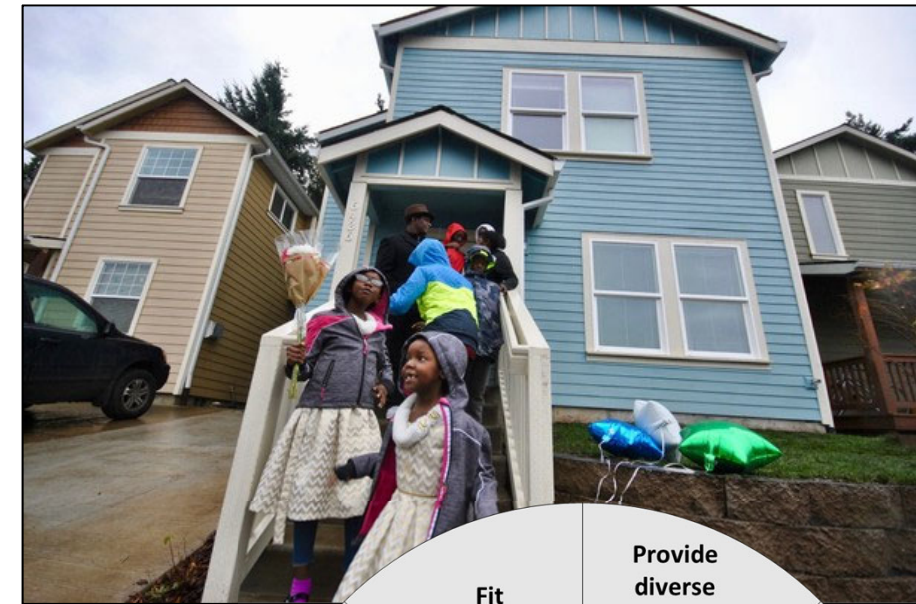


Residential Infill Project

Project outcomes





- Increase access to more types of housing in all Portland neighborhoods
- Allow more units- at lower prices on each lot
- Applies new limits on building scale and height
- Supports climate and compact development goals
- Increase homeownership options

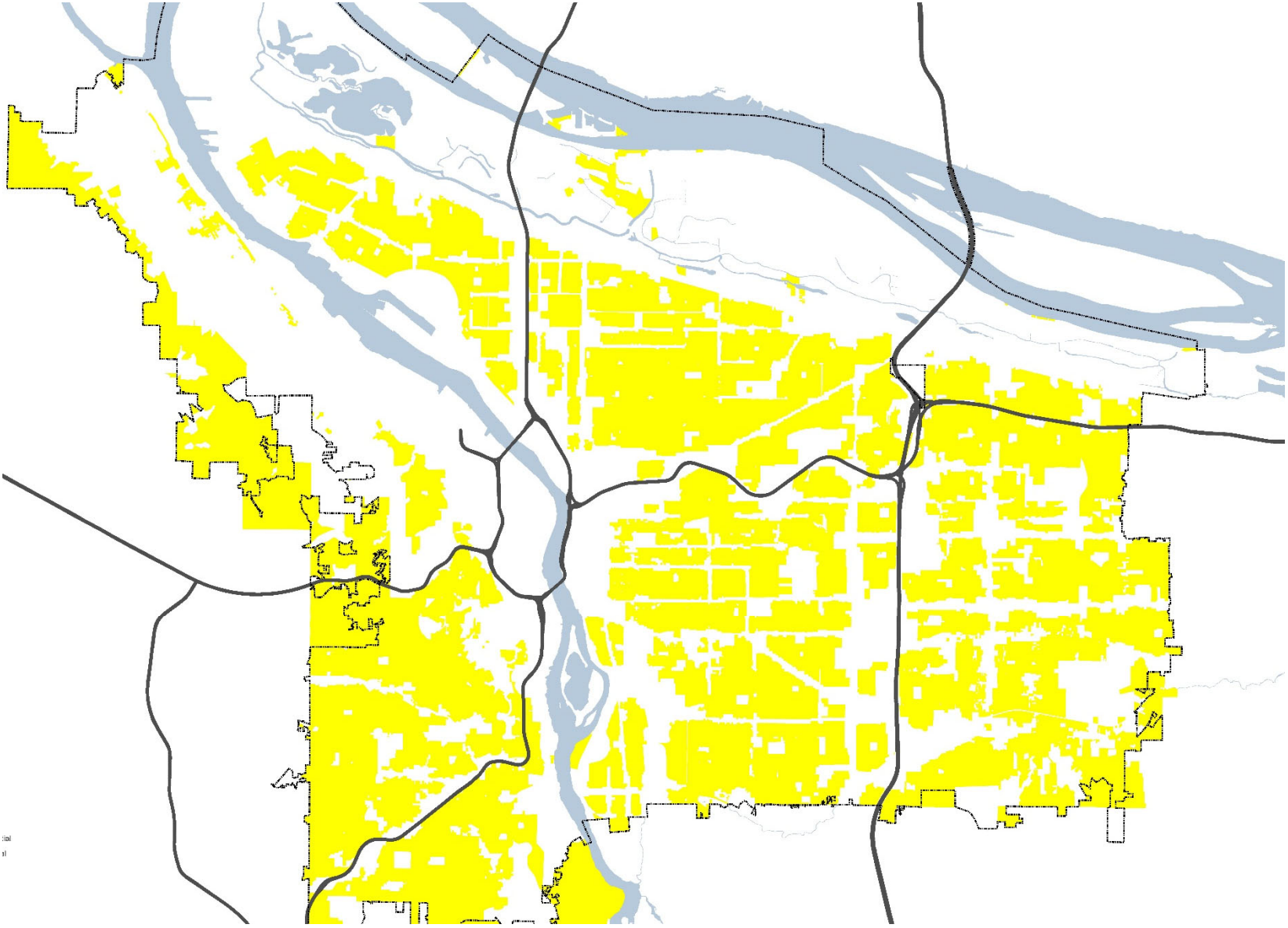


Residential Infill Project area map



Legend

-  Single-dwelling Residential
-  City Boundary



1. Reduce the scale of houses



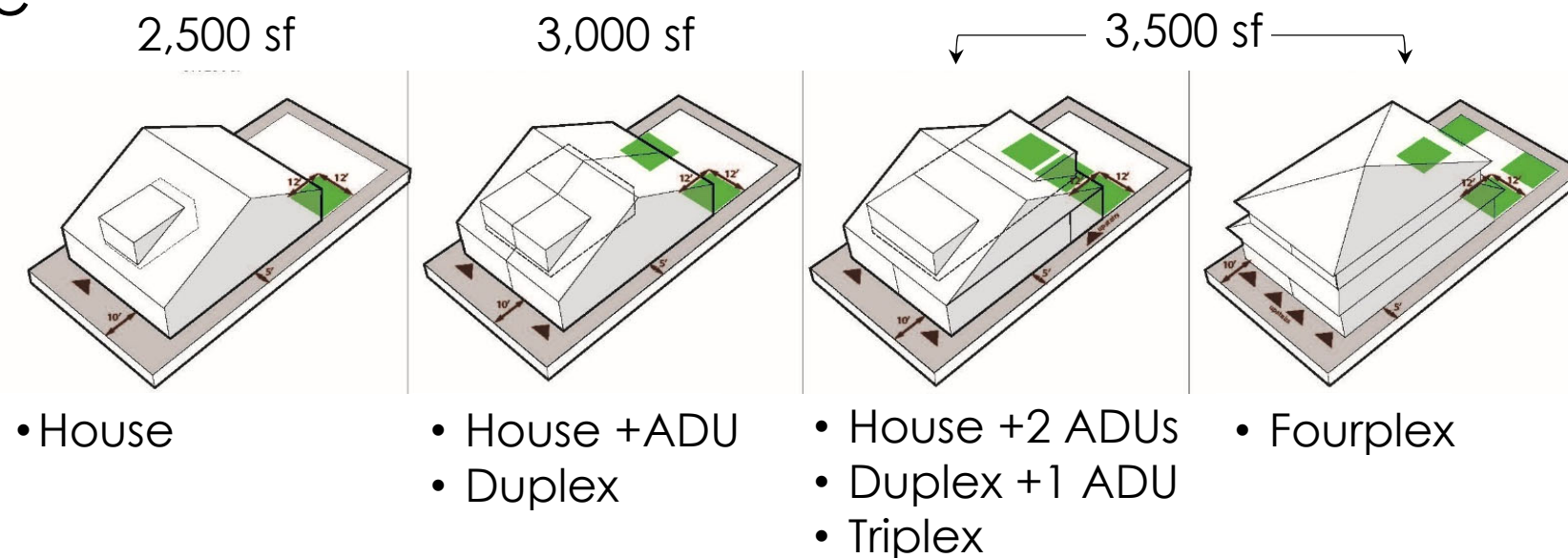
2. Allow more housing types



3. Revisit size of structures



- a. Use floor-to-area ratio (FAR)
- b. Vary by number of units
- c. Bonus FAR for affordability or preserving house



Bonus

3,500 sf

4,000 sf

Smaller units cost less



Single Family



**170%
MFI**

Duplex



**110%
MFI**

Average Size	2,500 Square Feet	1,500 Square Feet
Average Sale Price	\$772,500	\$463,500
Average Price per SF	\$309/SF	\$309/SF
Average Rent	\$5,400/month	\$3,255/month
Average Rent per SF	\$2.17/SF	\$2.17/SF

Smaller units cost less

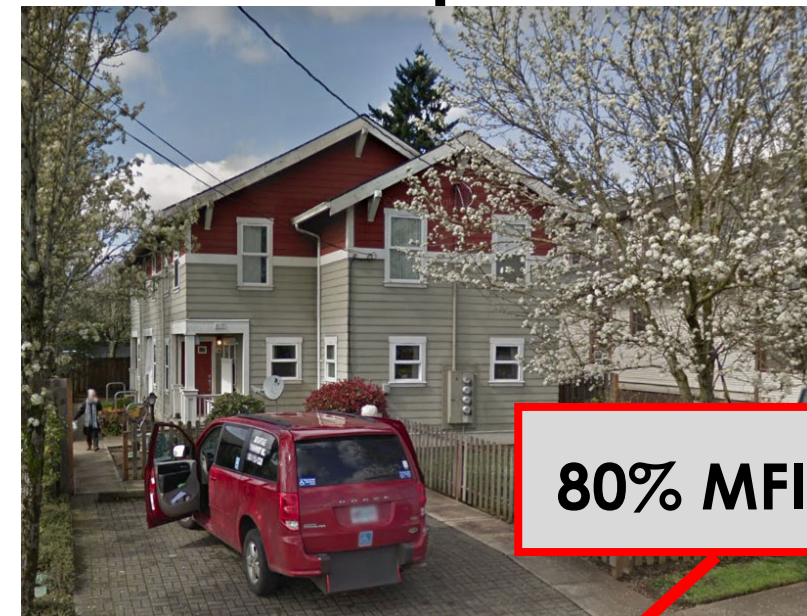


Triplex



90% MFI

Fourplex



80% MFI

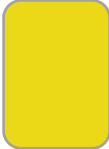

Average Size	1,166 Square Feet	875 Square Feet
Average Sale Price	\$360,500	\$270,375
Average Price per SF	\$309/SF	\$309/SF
Average Rent	\$2,500/month	\$1,900/month
Average Rent per SF	\$2.17/sf	\$2.17/SF

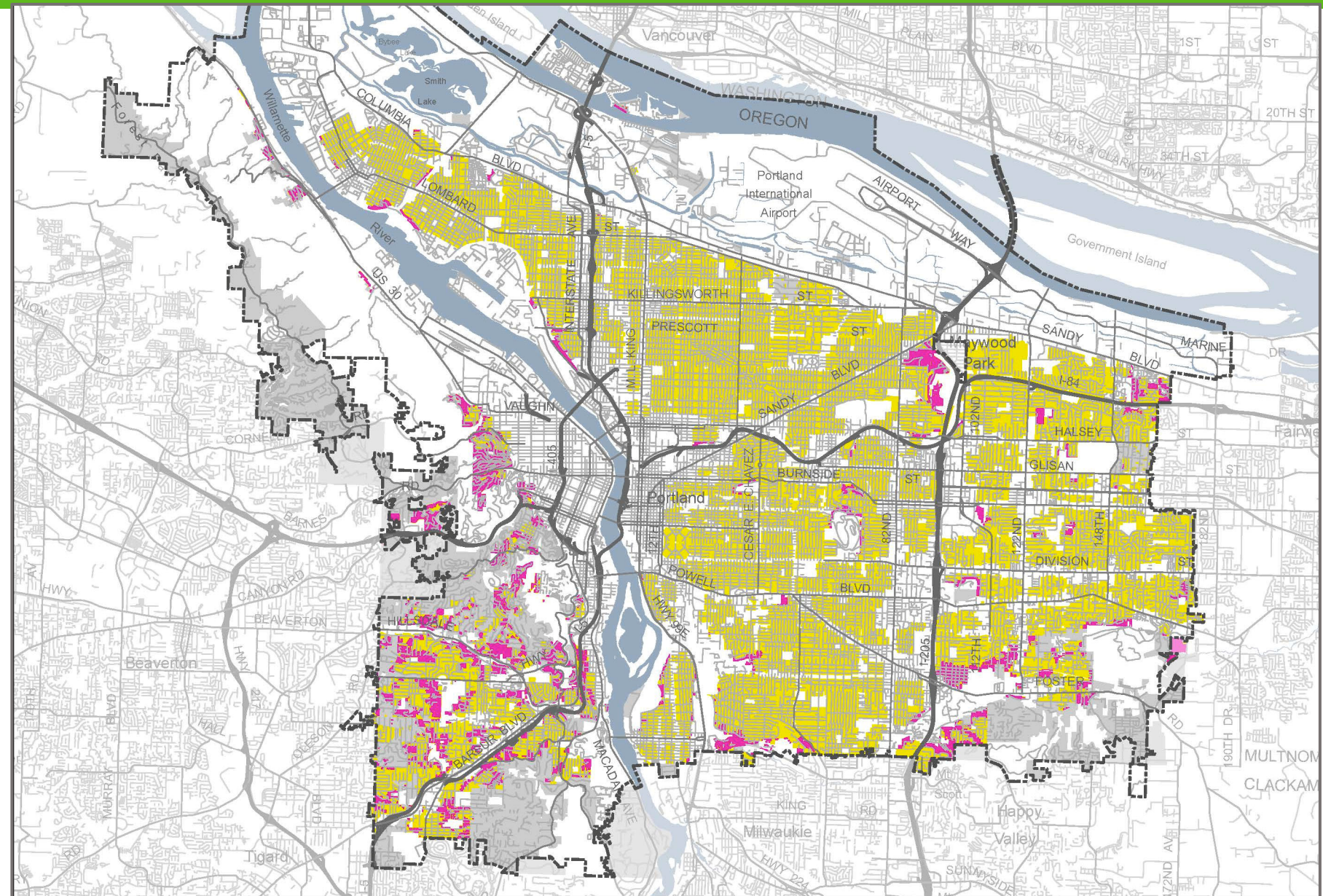
120% MFI

100% MFI

4. Allow “everywhere”







-  Additional housing types allowed
-  Additional housing types not allowed ('z' overlay)
-  Additional housing types not allowed (RF/R20/R10)

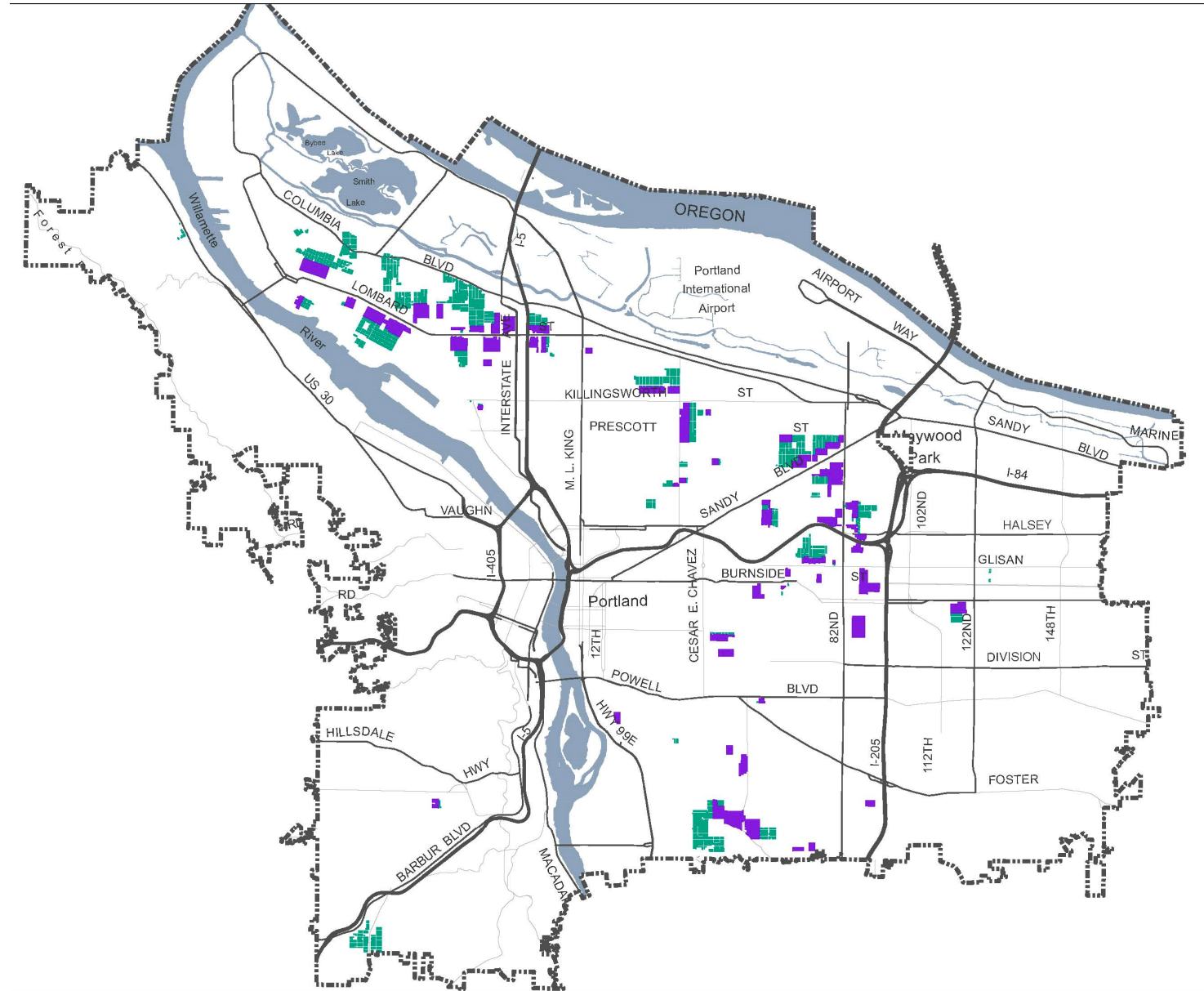


5. Rezone historically narrow lots



Legend

-  Proposed R2.5 Zoning
-  R2.5 Zoning
-  Concentrations of R5 Historically Narrow Lots Not Rezoned to R2.5
-  City Boundary



Residential Infill Project summary



More housing types +

Smaller size, scaled by number of units +

Allowed everywhere +

=

More and less expensive units with an increased
diversity of housing types that reduces redevelopment
and displacement pressure

State legislation



House Bill 2001 – Portland Implementation



Alignment with Residential Infill Project

- Duplexes allowed everywhere
- Triplexes and fourplexes allowed most places

What RIP does better

- Size limits on units
- Parking
- House retention incentives

What is missing (future project)

- R10 and R20 zones
- Cottage clusters by right

Senate Bill 534 – Portland Implementation



Alignment with Residential Infill Project

- R2.5 historically platted lot rezones
- R5 historically platted lots are buildable with attached houses

What RIP does better

- Size limits
- Better designed structures
- Limitation on garages and parking

What is missing (future project)

- Allowing substandard platted lots in other zones to be developed (R7, R10, R20, RF)

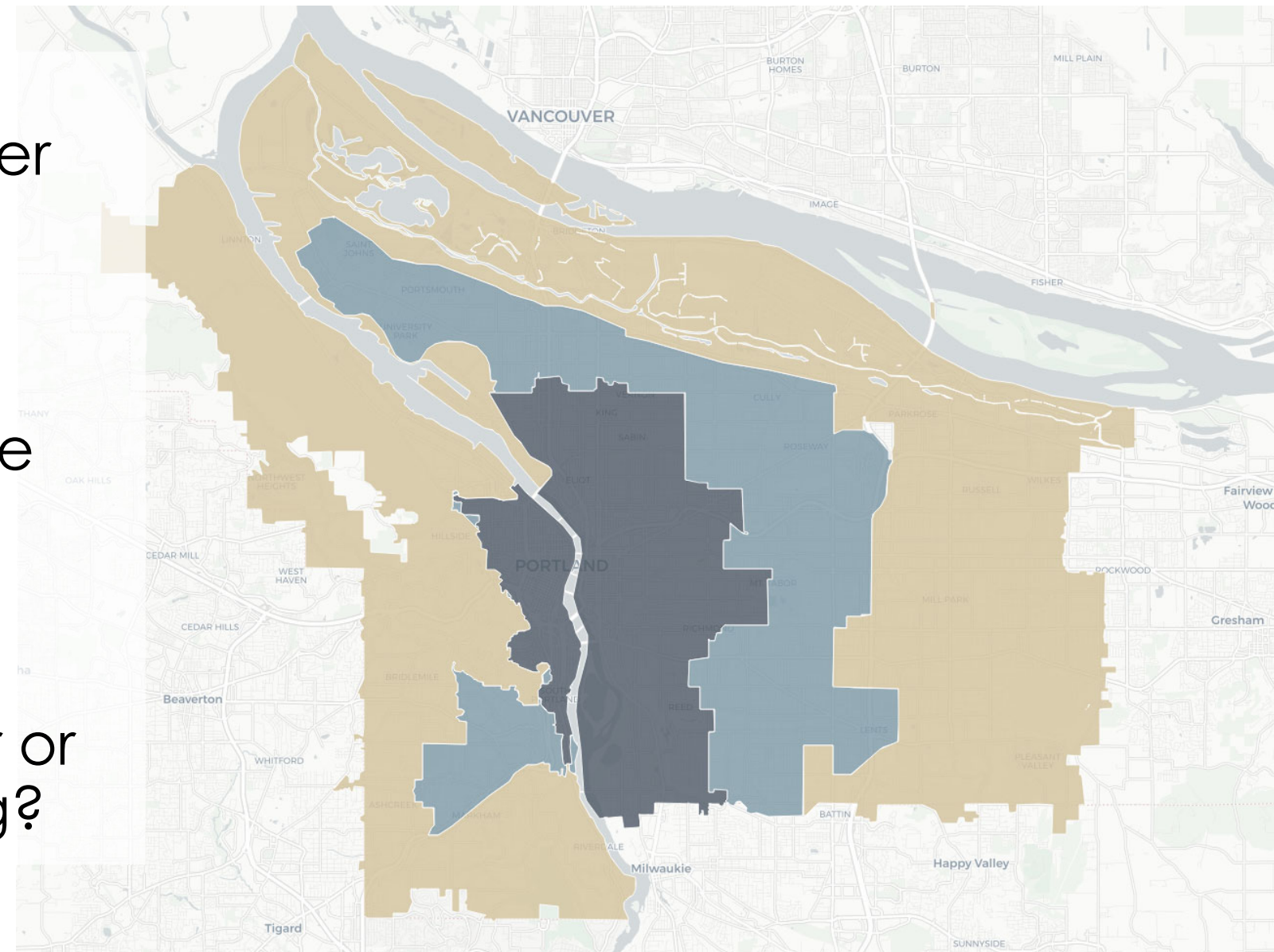
Evaluation of displacement risk



1. Which properties are likely to redevelop under new zoning? Where?

2. Who is affected by redevelopment of these sites? In general and in specific locations?

3. Is this impact greater or less than current zoning?

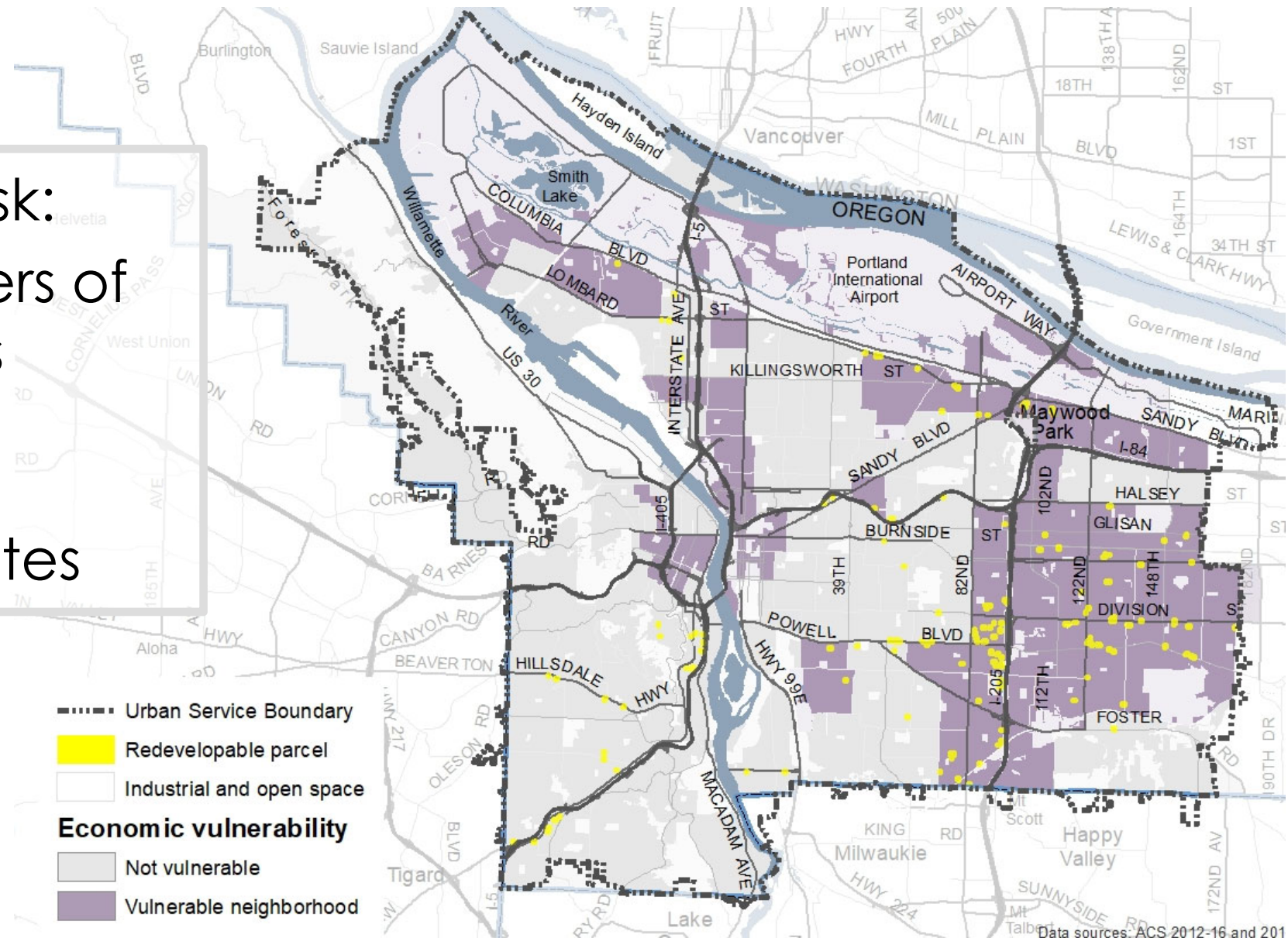


Better Housing by Design



Households most at risk:

- Lower income renters of single-family houses
- Residents of older apartments on under-developed sites

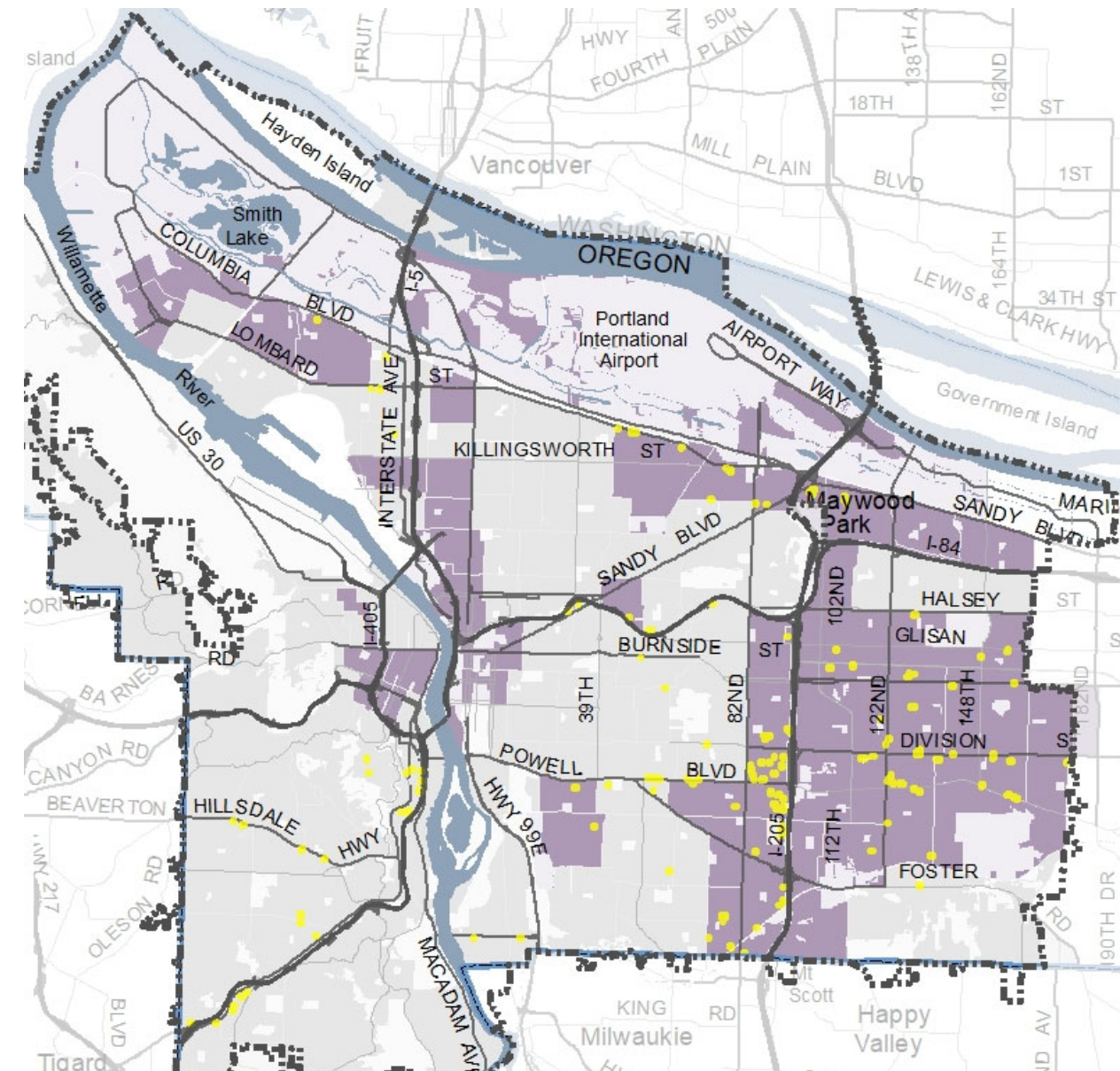
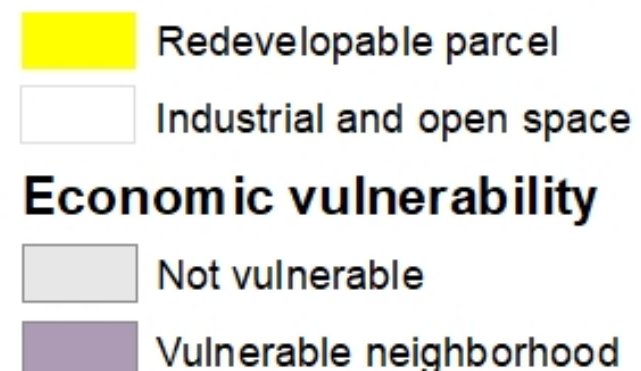


Better Housing by Design



Mitigations:

1. Produces more, cheaper units
2. Inclusionary Housing applies
3. Bonus makes larger projects with IH units more feasible
4. Significant bonus for deeper affordability (60% AFI)
5. New FAR transfer preserves existing affordable housing

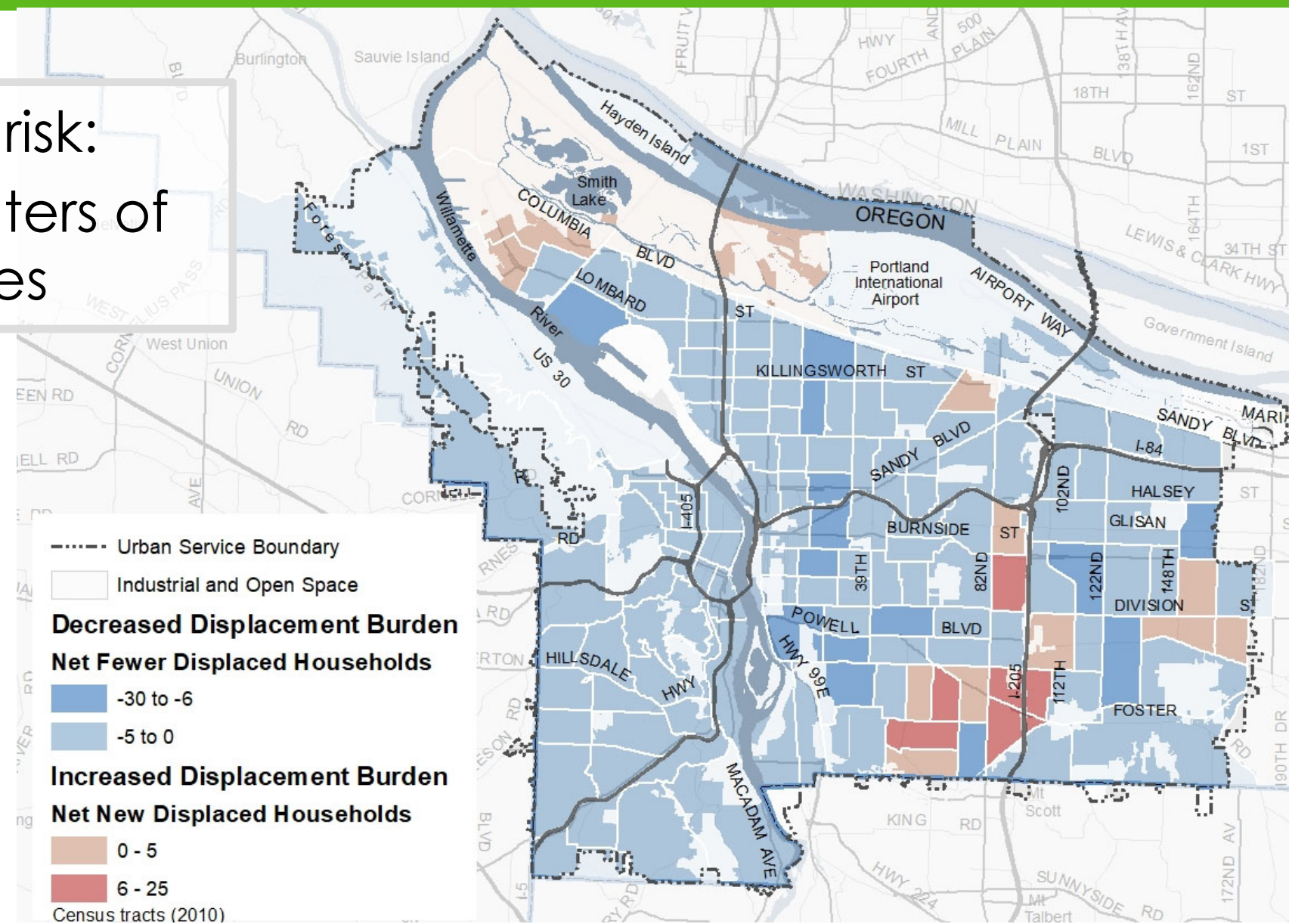


Residential Infill Project



Households most at risk:

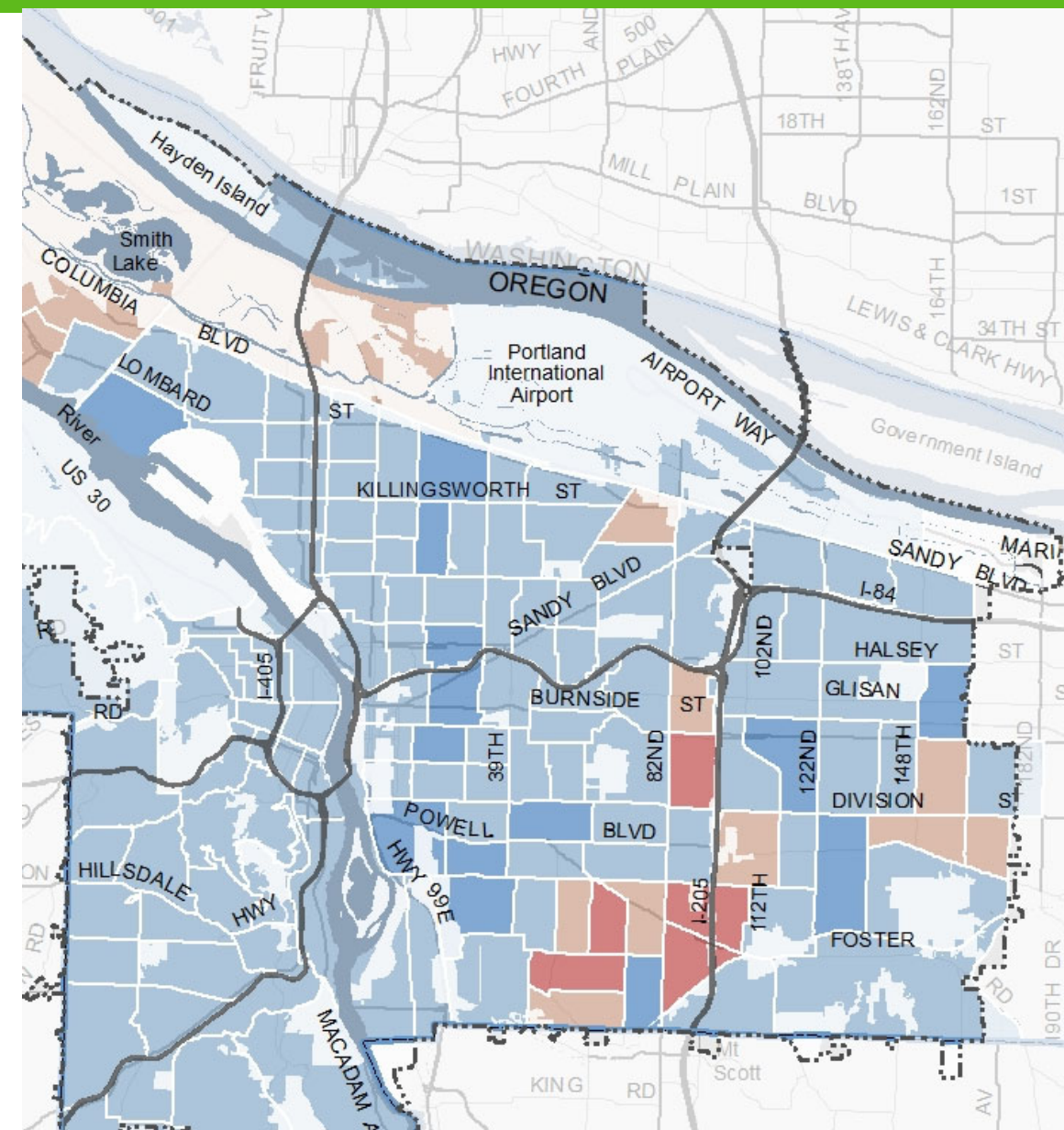
- Lower income renters of single-family houses



Residential Infill Project



- Benefits & Mitigations:
 1. Citywide benefit:
 - Reduces one-for-one demos,
 - Reduces displacement risk and
 - Makes it possible to have more, smaller, less expensive units.
 2. FAR bonus for affordable housing (0.1 FAR)
 3. Community coalition proposal for more units allowed if at least half are affordable



Timeline and Next Steps



Better Housing by Design

Council Work Session: **September 10**
First Hearing: **October 2**

Residential Infill Project

Council Work Session: **December 3**
First Hearing: **December 11**