

Subject: BPS Housing Production Strategies

Dear Decision Makers:

Please acknowledge and shelve Housing Production Strategies. It plays to the Governor's plan (eg SB 1537) to require State mandated housing production quotas fulfilled by local government. Portland and its sister cities in Oregon must wake up to the implications and prevent further erosion of local control. This testimony, however, is specific to the lack of vision and integrity of the subject BPS policies.

Unsupportable Policy and Data Framework

1. **Statewide Planning Goal 10** requires cities to inventory "buildable lands" and provide for a variety of housing types to ensure there is sufficient opportunity to accommodate housing needs over the next 20 years with incremental updates. Goal 10 does not mandate that cities *produce* housing. **Portland City Council recently adopted the Housing Needs Analysis.** The report indicating that there is more than sufficient land zoned for projected housing needs. Is there a need for production strategy when it is clear that, aside from providing appropriate land use and infrastructure framework, market forces and economics determine what is built?
2. **The Housing Needs report projects that Portland will increase in population by 237,000, a 41% increase over 2021, add 97,000 households, and will need to add up to 120,000 new housing units by 2045 of which 53% will need to be affordable for households earning 80% AMI or below.** These numbers are clearly alarmist and unrealistic. The population of Portland is in decline for the short term and there is no certainty that it will regain the economic momentum that propelled the growth of the past 40 years.

BPS has no reliable way of calculating or projecting housing needs on which to base a production plan. Neither natural reproduction nor uncertain migration projections will produce the 41% increase. As to needed housing types, there was a Metro survey that indicated an overwhelming preference for single family homes. That information, the city chooses to ignore. On the other hand, there are clearly unmet needs for housing assistance programs which the County not the City manages. Information about housing units is limited and because many factors influence housing choice, **aggregate data is not a picture of need.**

3. **No city in Oregon "produces housing"** despite the catchy phrase. The Portland Strategy aims to add 55,000 units by 2032, roughly 6,000 units per year. Portland has issued permits for fewer than 3000 units per year in 2023 and is currently laying off staff in BDS amid the downturn. "Data driven local government "production strategies" are likely to be more harmful than useful. Developers who finance housing look to industry trends and the pro-forma that their projects must meet, not government production plans unless to increase profit and reduce risk.

Misguided Production Strategies (as Outlined – A, B, C etc.)

4. **A. Promote affordable housing (0-80%AMI) and B. Increase home ownership.** These strategies are fundamentally at odds with the projections. Aiming to encourage, or mandate that 53% of new housing be publicly subsidized is promoting rental housing not home ownership. When the new housing involves tearing down viable existing and more affordable single family housing this is doubly the case. The policy envisions large populations of subsidy dependent residents not consistent with the national average of 68% of the population that own their homes and who in the past provided the social and economic backbone of “the city that worked”.
5. **C. Stabilize current and future households.** Investor owned and renter occupied housing has many disadvantages not least that they introduce instability in household finances compared to owner occupancy. Destabilizing neighborhoods by encouraging random infill density and redevelopment under current BPS policies is inherently destabilizing. In the 1960s, planners drove displacement misery with freeway construction and urban renewal. before neighborhoods revolted. ‘Density is good’ ideology is producing upmarket housing blocks, shrinking the supply of single family housing stock, driving up prices and driving out families. In the 1970s, Portland stabilized declining neighborhoods by limiting redevelopment to preserve existing housing and by requiring higher standards for the design of infill.
6. **D. Reduce barriers to development and improve processes.** Reducing barriers to development is at heart genuflection to developer interests to reduce code requirements, building design standards, historic resource protections, plan review and inspection requirements. BDS has a negative process reputation in the construction industry no thanks to the business model that trails the market cycle nor the ongoing production of poorly documented ambiguous code changes promoted by BPS.
7. **E. Promote age and disability friendly housing and G. Promote climate friendly and healthy homes and C. Increase access to opportunity.** While these fine goals make no contribution to “housing production”, they do promote longevity of the housing stock and when combined with design requirements designed for the health of the occupants (access to sun, clean air, privacy, quiet, outdoor space, adequate multimodal parking) these promote stable living conditions and stable neighborhoods. Such principles used to be the point of zoning codes!

Follow the Money

What kind of city do we want to live in? What are the aspirations of this report? Do these policies support a truly sustainable vibrant city, with stable family friendly all age neighborhoods or are they guided by the YIMBY ideology, “Portland Neighbors Welcome” and developer funded **Sightline Institute**? What are the measures for success? Is it the number of “housing unit doors” and the number of “affordable units”, the inflow of investment dollars? BPS encouraged state laws that served to mandate adoption of RIP 1 and RIP 2 while ignoring widespread public opposition. Portland then implemented an array of overreaching tenant friendly policies. After failing to understand the economics of the root problems or to anticipate track and evaluate the negative consequences of these policies, the city is now losing population and losing families. Housing Production Strategies follows the same money.

Thank you for considering these comments.