

## Written Testimony by Portland Forward

Portland Forward was founded by an old friend and colleague, Bing Sheldon. We have been focusing on housing in Portland, and have spent a lot of time discussing the future of Portland's housing stock. A portion of that has to do with greater density zoning throughout our city, which we all know needs to be addressed. Through our discovery process, it has come to our attention that a major concern that we have is a lack of family incentives currently addressed in the Central City 2035 plan.

There is strong language in support of families and family friendly development in the current draft of the Central City 2035 Plan. The goals and policies outlined in the Plan include suggestions for the development of "housing diversity" and "complete neighborhoods," with specifics noted for each of the Central City's sub-districts. Just a few examples of this language include:

- for the West End sub-district: "Encourage the development of child-friendly play areas, schools, [and] a neighborhood park."
- for the The Pearl sub-district: "Encourage multifamily housing supportive of families and students."
- for the the Lloyd sub-district: "Encourage development of grocery stores, neighborhood businesses, daycares and schools."

However, what we actually see when looking at the code, is that there are actually LESS incentives to encourage developers to build for families. Of the current 19 incentives that are currently in the existing code, 5 of which support family living, only the neighborhood facilities remain. The others that have been deleted are as follows:

- daycare bonus option
- large dwelling unit bonus option (for the West End area only)
- large household dwelling unit bonus option (for the South Waterfront area only)
- efficient family size unit housing bonus option (for the North Pearl area only)

If the language of the current draft is ratified we will be left with a zoning code that is missing any support for families and family friendly development in the Central City. And though the rationale for these changes is understandable - to focus on affordable housing development - this incentive structure does not reflect the full spectrum of goals for growth outlined in the 2035 Central City Plan.

### OUR ASKS

1. We would like to propose that we revise the incentives in the Central City Plan to keep affordable housing as the minimum standard for incentives, however that we can include additional bonuses to be more inclusive of family sized units.
  - a. For instance, the base bonus FAR for affordable housing could be 2:1, however there would be the option to increase this to a 3:1 for building's with 2 or more bedrooms.
2. We would also ask that there is incentives for the amenities that support family needs. Such as schools, daycares, libraries, and community centers.
  - a. This bonus could build on the family size units, increasing the building to a 4:1 FAR, however with a minimum 30-year leasing contract could also be retroactively transferred (either sold or transferred to another building).
3. Staff come up with updated data to look at the numbers of families currently in the Central City - birth rates, number of children PRE, K-5, 6-9, 10-12.
4. We would like to volunteer as a task force/focus group to work with staff as they draft this policy.

We are open to how this can be more impactful, and are open to the specifics on how this could work.

We have been researching what other cities have done to encourage families to move into the city's urban core.

We're going to share some of the successes from Vancouver, as they have almost 8 times the amount of children living in the urban core than Portland, and almost 5 times that of Seattle. While our populations are somewhat comparable

2010/2011 - neighborhoods housing children under the age of 15.

5100 - Vancouver (total population 603,500 - 2001)

1100 - Seattle (total population 652,405 - 2013)

650 - Portland (total population 609,456)

20 years ago, Vancouver's planners and politicians made a choice not to have its core full of empty nesters, young singles, and the childless and started on a mission to ensure families were included in their downtown growth.

*"Without strong policies to at least create conditions where families can find a place in a city's densest neighborhoods, it won't just happen organically", Larry Beasley, "This doesn't happen unless a city takes real leadership to at least set it off to happen. The private market does not experiment that much. You may find the odd creative developer here and there, but in general they are building a standard product that they have a history of selling, whether that's homes for empty nesters or studio apartments for singles. But after building those for years on end, the market goes flat because they've saturated the market for your typical high-density consumer.*

*If the local government establishes a policy and makes it clear that taking families' needs into account is going to be required, developers may feel oppressed in the early years. But pretty soon they start discovering that market and seeing the broadening of the consumer base they're appealing to. Then they come around, and innovative things start happening in the market."*

They required 25% of development be suitable for families (2 bedrooms or more - with certain space requirements).

They encouraged townhomes/rowhouses be incorporated into the podiums, understanding that families still wanted that street connection.

They also understood that a "living strategy" was critical in the "housing strategy" and made developers either build or make cash donations to Community Amenity Contributions.

As a result, a larger percentage of families lived in duplexes/rowhouses than lived in single family homes.

Between 2001 and 2011, the number of kids living in downtown grew substantially (68.6%), while the overall city wide population decreased (-1.4%) – as did British Columbia's numbers (-4.1%). **If you build it, they will indeed come.**

We have the opportunity to ensure that families are represented in our core, making our city truly "sustainable".

On a personal note, we sold our house in the Goose Hollow district and moved to Alameda last year when we got pregnant with our baby, because the neighborhood is not currently conducive to family living. I don't want to see others have to follow in our footsteps.

# Supporting Information:

## Summary: Family Housing - PDX Zoning Code - Central City 2035 Plan

### Incentives in the existing zoning code.

There are currently 19 bonus options in the zoning code to incentivize development to grow in ways supporting Portland's planning agenda. A few of these existing incentives are for family friendly development, promoting a diversity in housing stock (including units that families can live in) and family friendly neighborhood amenities (like schools, libraries, daycare and community centers). These incentives include:

- neighborhood facilities exemption (for the North Pearl area only)
- daycare bonus option
- large dwelling unit bonus option (for the West End area only)
- large household dwelling unit bonus option (for the South Waterfront area only)
- efficient family size unit housing bonus option (for the North Pearl area only)

### Goals of the Central City 2035 Plan.

There is strong language in support of families and family friendly development in the current draft of the Central City 2035 Plan. The goals and policies outlined in the Plan include suggestions for the development of "housing diversity" and "complete neighborhoods," with specifics noted for each of the Central City's sub-districts. Just a few examples of this language include:

- for the West End sub-district: "Encourage the development of child-friendly play areas, schools, [and] a neighborhood park."
- for the The Pearl sub-district: "[E]ncourage multifamily housing supportive of families and students."
- for the the Lloyd sub-district: [E]ncourage development of grocery stores, neighborhood businesses, daycares and schools."

### Changes to the zoning code with the implementation of the Central City 2035 Plan.

In the current draft of the zoning code to be implemented when the Central City 2035 Plan is ratified, most all of the development bonus options have been deleted in order to focus incentives towards one goal: increasing affordable housing in the Central City. All of the family friendly incentives have been deleted except one: the neighborhood facilities exemption. This exemption has been expanded to cover the entire Central City area (it was previously only covering the North Pearl sub-district), but as it is replacing stronger bonus options for neighborhood amenities it will actually result in a net reduction in bonuses in support of neighborhood amenity development.

If the language of the current draft is ratified we will be left with a zoning code that is missing any support for families and family friendly development in the Central City. And though the rationale for these changes is understandable - to focus on affordable housing development - this incentive structure does not reflect the full spectrum of goals for growth outlined in the 2035 Central City Plan.

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## Research Notes: Portland Zoning Code - Now and 2035

### Current Zoning Code - Family Friendly Incentives

- Central City sub-districts:
- West End

- Pearl
- Goose Hollow
- Lloyd
- Central Eastside
- Lower Albina
- South Waterfront
- Old Town / Chinatown
- Downtown
- University District / South Downtown
  
- Zoning code incentives for family friendly development:
- CC District Increased FAR limits: (33.510.200)
  - FAR not counted for **neighborhood facilities** in North Pearl Subarea (schools, daycare facilities, libraries, and community centers) (33.510.210.I)
- CC District FAR bonuses: (33.510.210)
  - **daycare bonus option**, 3sf per 1sf or daycare use in CX, EX, and RX zones (33.510.210.C.2)
  - **large dwelling unit bonus option** (West End), large units bonus at 1sf per every 1sf >750sf (33.510.210.C.11)
  - **large household dwelling unit bonus option** (South Waterfront), 150sf bonus for each bedroom in excess of 2 (33.510.210.C.12)
  - **efficient family size unit housing bonus option** (North Pearl sub-area): (33.510.210.C.19)
    - 3sf bonus per every 1sf of 3-bedroom units that are <=1,200sf
    - 2sf bonus per every 1sf of 3-bedroom units that are <=1,200sf
    - outdoor play areas and common room requirements also apply

## 2035 Comprehensive and Central City Plans Zoning Code Amendments

- restructured FAR bonus incentives:
- meant to focus development to adhere to 2035 Comprehensive and Central City Plan goals
- elimination of many current FAR bonuses (there are currently 19 FAR bonus options)
- 4 new bonuses are created and 3 remain from the current code (related to South Waterfront), totaling 7 bonus options
- new bonus options:
  - affordable housing bonus option
  - affordable housing fund bonus option
  - riverfront open space bonus option
  - Central Eastside subdistrict industrial space bonus option
  
- New family friendly incentives:
  - **neighborhood facilities exemption**: (33.510.200.E.1)
  - sf of neighborhood facility uses not counted towards maximum FAR
  - neighborhood facilities are: public schools, community centers, daycare facilities and libraries
  - expansion of same regulation previously applied only to North Pearl sub-area
  
- Deleted family friendly incentives:
  - **daycare bonus option - to be deleted**:
    - bonus only used twice since 1988
    - staff proposes to expand the “Neighborhood Facilities within the North Pearl Subarea” incentive
    - for Neighborhood Facilities incentive, see 2035 amended section (33.510.200.E.1)
      - effectively lowers bonus from 3/1 to 1/1
  - **larger dwelling unit bonus option - to be deleted**:
    - only used once since its creation in 2003
    - intended to foster 2-bedroom housing units
    - no replacement or alternative proposed

- **large household dwelling unit bonus option - to be deleted:**
- this bonus has never been used
- meant to foster housing type diversity
- a continuing need for housing diversity is noted
- no replacement or alternative proposed
- eliminated to focus development towards current priority of affordable housing
- **efficient family size unit housing bonus option - to be deleted:**
- this has been used 2 times in recent years
- a continuing need for a diversity of housing types is noted
- eliminated to focus development towards current priority of affordable housing

## 2035 Plans - Goals and Policy

### 2035 Comprehensive Plan

- guiding principals:
  - economic prosperity
  - human health
  - environmental health
  - equity
  - resilience

### 2035 Central City Plan

- current strengths to build on:
  - “A great place to live within a community that cares.”
  - “Grow and enhance the Central City’s neighborhoods and make sure they are vibrant, livable, accessible, affordable, inclusive, and cohesive.” (CC2035\_PD\_Vol 01\_Intro, p. 12)
- the 6 big ideas:
  - #6, Increase the Resilience of the Central City:
    - “[The Central City] strives for greater social resilience by preserving and increasing affordable housing in the Central City, allowing particularly vulnerable households access to the infrastructure, services and opportunities there.” (CC2035\_PD\_Vol 01\_Intro, p. 23)
- Central City Goals
  - Goal 2.A:
    - “The Central City is a successful dense mixed-use center composed of livable neighborhoods with housing, services and **amenities that support the needs of people of all ages**, incomes and abilities.” (CC2035\_PD\_Vol 02\_GP, p. 40)
- Central City Policies:
  - Policy 2.1, Complete Neighborhoods:
    - “Ensure Central City neighborhoods have access to essential public services, **including public schools, parks, open space** and recreation opportunities, community centers, urban canopy and amenities such as neighborhood-serving retail and commercial services that support sustainable and diverse community structure.” (CC2035\_PD\_Vol 02\_GP, p. 42)
  - Policy 2.8, Housing Diversity:
    - “Create attractive, dense, high-quality affordable housing throughout the Central City that accommodates a broad range of needs, preferences, and financial capability in terms of different types, tenures, sizes, costs and locations. **Support new housing opportunities for students, families** and older adults.” (CC2035\_PD\_Vol 02\_GP, p. 43)
- District Policies - Housing and Neighborhoods:
  - West End, Policy 2.WE-1, Complete Neighborhoods:
    - “Encourage the development of **child-friendly play areas, schools, a neighborhood park**, dog park and contemplative spaces.” (CC2035\_PD\_Vol 02\_GP, p. 44)
  - West End, Policy 2.WE-5, Housing Diversity:

- “South of Salmon Street, encourage residential development as the predominant use; to the north encourage it as a major component of new development. In particular, encourage multi-family housing **supportive of families**.” (CC2035\_PD\_Vol 02\_GP, p. 44)
- Goose Hollow, Policy 2.GH-4, Housing Diversity:
  - “Support development that complements the distinctive residential feel of the district, especially within the predominantly residential areas south of SW Columbia Street. In particular, encourage multi-family housing **supportive of families**.” (CC2035\_PD\_Vol 02\_GP, p. 45)
- The Pearl, Policy 2.PL-1, Complete Neighborhoods:
  - “Enhance bicycle and pedestrian connections between existing parks, as well as future parks. **Encourage the development of new public schools** to serve the district.” (CC2035\_PD\_Vol 02\_GP, p. 46)
- The Pearl, Policy 2.PL-3, Housing Diversity:
  - “Encourage new development, including housing, along Naito Parkway in order to bring more people and activities to the riverfront. Throughout the district, **encourage multifamily housing supportive of families** and students.” (CC2035\_PD\_Vol 02\_GP, p. 46)
- Lloyd, Policy 2.LD-1, Complete Neighborhoods:
  - “Improve access to parks and open space, and encourage development of grocery stores, neighborhood businesses, **daycares and schools**.” (CC2035\_PD\_Vol 02\_GP, p. 46)
- Central Eastside, Policy 2.CE-1, Complete Neighborhoods:
  - “Ensure access to essential public services such as **parks and open spaces, schools, and community centers**.” (CC2035\_PD\_Vol 02\_GP, p. 47)
- South Waterfront, Policy 2.SW-1, Complete Neighborhoods:
  - “Encourage development of a K-8 public school facility to serve the district, parks and greenway, a full-service grocery store, community space, senior center and **daycare facilities**.” (CC2035\_PD\_Vol 02\_GP, p. 47)
- South Waterfront, Policy 2.SW-3, Housing Diversity:
  - “Encourage **multi-family housing supportive of families** and students.” (CC2035\_PD\_Vol 02\_GP, p. 47)
- University District/South Downtown, Policy 2.UD-1, Complete Neighborhoods:
  - “Encourage the development of a grocery store, new and improved open spaces, **playground, daycare facilities**, a small hotel, and a community or senior center.” (CC2035\_PD\_Vol 02\_GP, p. 47)
- University District/South Downtown, Policy 2.UD-4, Housing Diversity:
  - “Encourage **multi-family housing supportive of families** and students.” (CC2035\_PD\_Vol 02\_GP, p. 47)

## RESEARCH / LESSONS LEARNED FROM OTHER CITIES

# VANCOUVER

## Organizations:

City of Vancouver

*"Without strong policies to at least create conditions where families can find a place in a city's densest neighborhoods, it won't just happen organically", **Larry Beasley**, "This doesn't happen unless a city takes real leadership to at least set it off to happen. The private market does not experiment that much. You may find the odd creative developer here and there, but in general they are building a standard product that they have a history of selling, whether that's homes for empty nesters or studio apartments for singles. But after building those for years on end, the market goes flat because they've saturated the market for your typical high-density consumer.*

*If the local government establishes a policy and makes it clear that taking families' needs into account is going to be required, developers may feel oppressed in the early years. But pretty soon they start discovering that market and seeing the broadening of the consumer base they're appealing to. Then they come around, and innovative things start happening in the market."*

## Policy:

### 1) Vancouver and families

**"20 years ago, Vancouver's planners and politicians made a conscious choice: Not to relinquish the city's urban core to empty nesters, low-income singles, and the childless."**

**Required that 25% of new housing be suitable for families (minimum of 2 bedrooms) - with specific details in the "High-Density Housing for Families with Children Guidelines"**

<http://former.vancouver.ca/commsvcs/guidelines/H004.pdf>

To meet that requirement, **units must have at least two bedrooms, large enough to fit a bed, dresser, desk or table, and some floor space for playing.** That's a huge step, because a downtown can have all the parks and museums and whimsical public art in the world, but without housing that's large enough to meet their needs, families aren't going to move there.

Vancouver realized that families often don't want to live high up on the high-rise, but would rather live on the ground levels, so the **city encouraged townhomes/rowhouses** to be incorporated into the podium at street level for these family units.

**Created a 13-page manual with rules of thumb for developers to use to make units more family friendly. Examples:**

- Bathrooms that are big enough to fit a parent and child.
- A non-carpeted entry area where parents can pull off wet jackets and muddy boots.
- No more than 12 units grouped together on the same hall or entry, to foster a sense of community.
- A minimum of 130 square meters of outdoor play space somewhere in the complex, ideally that parents can see from the unit, with separate areas for preschoolers and older children.
- Landscaping with non-toxic plants that can withstand the "rough and tumble of children's play."
- Soundproofing between units and sleeping areas that won't be disturbed by proximity to living areas.
- In addition to clothes and linen closets, a minimum of 5.7 cubic meters of bulk storage space, within the unit or near the entry, that can hold strollers, wheeled toys, suitcases, sports equipment and holiday decorations
- Lockable bicycle storage adjacent to a building entrance.

**They also required private landowners developing sites to incorporate parks, open space, daycares, libraries, communities centers, elementary school sites, and other public amenities that families needs.**

Vancouver planners also recognized early on that they couldn't just rely on a "housing strategy" in dense urban areas. They also needed a "**living strategy**," since what happened outside the walls of a home would be equally important to families.

**Community Amenity Contributions** - in-kind amenities or cash contributions provided by property developers when City Council grants development rights.

- Park space
- Libraries
- Childcare facilities
- Community centres
- Transportation services
- Cultural facilities
- Neighbourhood houses

#### RESULTS:

:

2006-2011 - homes with families  
10% of duplexes/rowhouses  
9% of single family homes  
8% buildings with 5 or more stories.

2010/2011 - neighborhoods housing children under the age of 15.  
5100 - Vancouver  
1100 - Seattle  
650 - Portland

Between 2001 and 2011, the number of kids  
+68% downtown  
(-1.4%) overall city wide Vancouver  
(-4.1%) British Columbia's numbers.

More remarkably, the share of Vancouver's City Centre population *that is made up of kids has actually increased*. That's unusual because aging baby boomers, longer life spans, and **record low birth rates** mean that the entire population is skewing older. Proportionally, there are simply fewer kids.

Data sighted here was found:  
<http://www.sightline.org/2014/07/08/are-you-planning-to-have-kids-part-1/>

#### 2) The Affordable Home Ownership:

A unit would be priced below market value, sold to an eligible household with restrictions on ownership and resale, and then resold to the next buyer. The units are typically created by non-profits, social housing organizations, or the government.

People who qualify for the program should be earning between \$50,000 and \$99,000 per year, according to the report, and the city would aim to create 300 units over a period of three years. Statistics Canada says more than 30,000 households would qualify for the program.

In order to qualify for the AHO program, Vancouverites:

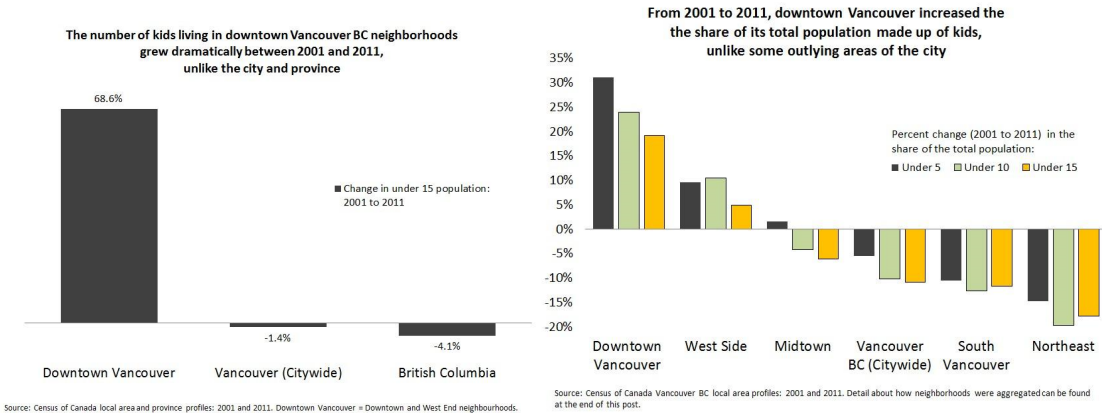


- **Must be a resident of the city for a minimum of five years**
- Must be a permanent resident or citizen
- **Must be employed in Vancouver**
- Must never have owned property before
- Cannot earn more than \$67,540 per year for one-bedroom units
- Cannot earn more than \$96,170 per year for two and three bedroom units for people with children
- Must complete a home buyer education course

In addition, half of the units would required to be two or three bedrooms for families. The city stresses that this program wouldn't replace any low-income housing projects currently in place.

3) Control on the ability to own land or properties by foreign entities.

The ability of external capital to flow into local real estate markets is essentially unquestioned in recent media reports. Yet it is not obvious why non-resident ownership of local real estate is inevitable or desirable, in particular amid increased global capital flows. Since the development, real estate and construction sectors all have an interest in the status quo, and governments receive additional revenue under this system, they tend to look the other way when foreign investment is raised as an issue. Instead, consider an alternative starting point: real estate markets should be local, or limited to those who live and work in the city year-round. Domestic and international immigrants are most welcome to join the party, but only if they come to contribute to society and the economy. More fundamentally, local residents or non-profit entities, not corporations, should own residential real estate. Interestingly, there is already a basis for restricting foreign ownership in Canadian law. Section 35 of the federal Citizenship Act (C-29, 1985) enables provincial governments to “prohibit, annul or in any manner restrict the taking or acquisition directly or indirectly of, or the succession to, any interest in real property located in the province by persons who are not citizens or by corporations or associations that are effectively controlled by persons who are not citizens.”<sup>84</sup> Prince Edward Island exercises this provision with regard to agricultural land. Cooling, if not directly restricting, external capital is needed to prevent local real estate markets from overheating further, and these controls are necessary to ensure a rational market for housing that works in the interests of the local economy. Even if treating residential real estate primarily as an investment is concentrated in certain areas, the ripple effects are felt on all housing prices and in other parts of the region. It also reinforces the bubble psychology that real estate will forever go up in value, creates conditions for speculation and affects the types of new housing being constructed.



**Whistler Organizations:**

WHISTLER HOUSING AUTHORITY (WHA) -

The Whistler Housing Authority believes it is essential that the majority of Whistler employees live in the community in which they work. To achieve this objective, we partner with the community to provide and sustain a range of housing options both rental and home ownership for those who live and work in Whistler. Creating an inventory of price controlled units that are only available to resident employees has proven to be best means of reducing the impact of market forces, which for the last 20 years has driven the price of market housing out of reach for locals.

1) A local model of interest is the Whistler Housing Authority (WHA).

a corporation that is tasked with planning, building and managing new housing stock for the municipality's workers. It was created in the 1990s as a response to rising real estate prices and concerns about the ability of workers to afford to live in the resort municipality. Whistler introduced a bylaw that requires companies to build housing for their workers or contribute to a fund to that end. The WHA started with rental accommodation, but since **2000 it has promoted affordable ownership options protected by covenants that limit price increases on homes and restrict occupancy to local workers.** Both of these strategies remove the speculative element that drives housing prices higher. As a result, about half of WHA's 6,000 units are now affordable to own, **and Whistler provides accommodation for 82% of its workers.**

Community land trusts (CLTs) are a prominent example of an innovative tenure arrangement that improves access to and ownership of property. Technically, CLTs are a form of shared equity, or common land ownership, in which land is held by a non-profit entity (or a municipality) and then leased to owners of individual homes. Legal protections in CLTs restrict resale prices or require units to be resold to the CLT based on a predetermined formula.

Taking the price of the land out of the equation, and keeping it separate from ownership of individual units, makes home ownership affordable. Owners get the benefits of having secure tenure and control over their dwelling. The sale of units on CLTs can be structured to achieve a balance between providing some equity return and keeping the units affordable in perpetuity. A case study of the emerging Vancouver Community Land Trust Foundation (VCLTF) shows some of the key features and benefits that can be gained through partnerships between government and non-profit entities.

The foundation grew from the Mayor's Task Force on Housing Affordability, a City of Vancouver initiative that identified CLTs as one of 15 specific actions needed to improve housing affordability in the city. Today it is responsible for four sites made available by the city on 99-year leases on which it will develop affordable housing units with equity from two non-profit housing societies and contributions from BC Housing and the Vancity credit union. The target dates for completion of construction and occupancy are in 2017–18.

WHA Whistler House Authority  
[http://theyee.ca/News/2012/03/20/Lessons\\_From\\_Housing\\_Innovators/](http://theyee.ca/News/2012/03/20/Lessons_From_Housing_Innovators/)

**Zucht credits that to the municipality, and more specifically the passing of a new bylaw that required commercial developers to provide on- or off-site employee housing in new developments, or pay cash-in-lieu into a municipal housing fund.**

In short, the authority has created a separate housing market: it restricts prices of the employee units by tying their appreciation to the consumer price index (currently some 2.5 percent per year). It also controls resales, all of which must be individually approved by the municipality, a strategy Zucht says keeps out flippers and speculators.

## Toronto

### Organizations:

Toronto's Options for Homes

- 1) Since launching in 1997, the company has built some 2,500 units of housing across 10 developments in Toronto and another 1,500 units through affiliated development consulting groups in Ontario and Quebec. The contingency fund Options built from scratch to fund its activities in perpetuity has turned into a multimillion dollar war chest, which pays for some 1,000 new units per year. Labbe is surprised to learn the model has not spread to Vancouver, given his repeated visits to the city and meetings with city officials and developers.

It works like this: Options goes after less expensive sites close to rapid transit. It promises to pay the landowner in full, but not for some 18 months (if you can handle this opportunity cost, we're in business). In the interim, Options chases after cash from the Canada Mortgage and Housing Corporation's pre-development housing program (CMHC usually kicks in some \$100,000 per development) and strikes deals with architects and builders to defer their fees until after Options secures construction financing.

Researching more info:

What square footages can we have developers look at to keep units affordable enough to have this incentive make an impact?

NPDP: 2BDRM @ 1,000 SF; 3BDRM @ 1,200 SF

PROPOSED?: 2BDRM @ 800 SF; 3BDRM @ 1,000SF