

PROPOSAL FOR ALTERNATIVE APPROACH TO PRESERVING AFFORDABLE HOUSING IN MDP

**Submitted by Jeff Bachrach
June 12, 2018**

The following proposal is based on the testimony from Ed McNamara, which is attached below. It is a more simple and efficient way to both preserve affordable housing on sites that are currently used as manufactured dwelling parks (MDPs) and create opportunities for the development of more affordable (and market-rate) housing on those sites.

No-Net Loss Proposal for Discussion by PSC:

Rather than creating a restrictive new zone and applying it to 56 MDPs, instead place an overlay on the MDPs that would require that any redevelopment of a site must include at least the same number of affordable units as the number of manufactured units being removed. The affordability standard could be set at 60% MFI.

This no-net loss policy is the core of the McNamara proposal. His letter provides a persuasive explanation in support of that approach.

My suggestion is the PSC first discuss whether it favors replacing the current MDP approach with the no-net loss concept. If there's support for that alternative approach, then we can discuss further modifications or additions, and how best to draft code language to implement the policy.

Letter From Ed McNamara

Portland Planning and Sustainability Commission
1900 SW 4th, Suite 7100
Portland, Oregon 97201
Manufactured Dwelling Park Project

June 7, 2018 **(Revised June 8, 2018)**

Dear Members of the Portland Planning and Sustainability Commission,
I fully support the worthy goals - *protecting vulnerable renters and preserving a low-cost housing resource* - that seem to be the basis for the proposed Manufactured Dwelling Park (MDP) land use designation. However, it appears to me that the MPD is not an effective strategy to achieve those goals. It prevents conversion to other uses, but does nothing for housing quality and does not ensure continued affordability. I think we should go further to get better protection and provide a long-term supply of affordable, good-quality housing.

I would ask you to consider other alternatives. One approach might be to:

- **Rezone all of the nonconforming sites to R2.**
- **Create a no-net-loss overlay (or some equivalent bonus system) for the mobile home parks.**
- **Allow them to redevelop according to the current zoning or to the RM1 standards proposed in the Better Housing by Design (BDH) project (as long as there is a one-for-one replacement of the affordable units).**
- **And finally, in the BDH, create a tiered affordability bonus (at least for mobile home parks). The BDH proposal is to go to a 2 to 1 FAR if 50% of the units are affordable at 60% MFI. To allow for the deeper affordability that might be needed to produce equivalent rents, allow the 2 to 1 FAR with 35% of the units at 50% MFI or 20% of the units at 30% MFI.**

I am certainly not an expert in the challenges of mobile home parks, but based on my reading of the MDP proposal and my limited knowledge, here are the major problems I see with it:

- **Protects the structures – or at least the land use – rather than protecting the tenants**
- Renter protections - There are no affordability requirements or income limits in place now or being added as part of this proposal.
- Quality of the existing housing – The structures that are being protected may not be in good condition. The older trailers owned by the parks are often not energy-efficient, are often not ADA accessible (baths, kitchens, doorways, etc.), they may not be well-maintained, and they may contain asbestos.

- **Reduces the potential for new housing development in the city •**

- According to the staff report, the average existing mobile home park is 4.8 acres and has 55 trailer sites. There are a total of 56 parks with 3,000 sites.
 - With the R-2 zoning (including the Inclusionary Housing bonus) currently in place for most of the parks, I think the average site could support 130 units if redeveloped.
 - Under the proposed Better Housing by Design (BHD) project, a redevelopment opting for the 50% affordable housing bonus could have 418,176 SF of building on the average site. At an average unit size of 800 SF, this would allow up to 522 units with 261 of them affordable at 60% MFI

• In short, under the BHD proposal, if all of the sites were rezoned to the RM1 zone, they might support up to 29,232 new housing units - nearly 10 times the number there now. 14,616 would be affordable at 60% MFI. All would be energy efficient and ADA compliant.

I have some other concerns also:

- **Effectiveness (and fairness) of this approach** – Currently, the Portland Housing Bureau, Oregon Housing and Community Services, and others invest a significant amount of funds into helping nonprofits acquire and renovate existing affordable housing in order to preserve it as a long-term resource. It appears that the MDP proposal attempts to preserve currently low-cost housing by downzoning and preventing any future changes in density or use. This shifts the

burden of providing affordable housing away from the public sector and onto the park owners, but gives those owners no resources or incentives to improve the housing or to maintain affordability.

- **Discourages good redevelopment at higher density** – If a policy like this had been in place for any affordable housing 15 years ago, Home Forward could not have redeveloped Columbia Villa into New Columbia or done the subsequent redevelopments that created Humboldt Gardens and Hillside Terrace. In all cases, they took down old buildings on poorly designed sites and replaced them with more housing than had been there before.

- **Inconsistent with other current planning** – The other two planning projects underway right now – the Residential Infill Project and Better Housing by Design – both encourage more density done right and both provide incentives for including affordable housing in new developments. The MDP is the complete opposite. It locks in low-density (while the BDH increases it in the same zones) and gives no incentives for affordable housing.

I encourage you to explore all options for protecting the vulnerable tenants of existing mobile home parks and ensuring that we don't lose the very low-cost housing those parks provide. However, I also encourage you to do so while providing good-quality housing and ensuring continued affordability.

Thanks for your consideration of these thoughts. I hope you will apply your collective wisdom to creating a more equitable and more enduring solution to the risks that are currently faced by the residents of Portland's mobile home parks.

Sincerely,

Ed McNamara
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