

**From:** [Julie Gustafson](#)  
**To:** [Council Clerk – Testimony](#); [Michele Gila](#)  
**Subject:** Testimony for March 15, 2023, Items 212 and 213  
**Date:** Tuesday, March 14, 2023 8:41:28 AM  
**Attachments:** [image001.png](#)  
[PMAR Testimony Agenda Items 212 and 213 March 15 2023.pdf](#)

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Please see the attached testimony from Michele Gila, Director Realtor® Advocacy at the Portland Metropolitan Association of Realtors® on Items 212 and 213 of Wednesday morning's City Council agenda.

Julie



*Julie Gustafson*

Public Policy Advisor

Portland Metropolitan Association of Realtors®

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March 10, 2023

Mayor Ted Wheeler  
Commissioner Rene Gonzalez  
Commissioner Mingus Mapps  
Commissioner Carmen Rubio  
Commissioner Dan Ryan

Dear Portland Mayor, City Council, and Staff,

On behalf of the 8,000 members of the Portland Metropolitan Association of Realtors® (PMAR), I commend you on the work you are doing to promote the development of new housing in our region. Our region has been in a housing crisis for nearly a decade, and it is time for our leaders to take bold actions to move the needle on housing production.

Items 212 (Amend System Development Charge Exemptions Code) and 213 (Amend Seismic Design Requirements for Existing Buildings Code) on the March 15, 2023 agenda are good first steps and we stand with you in support of these Emergency Ordinances. The vacancy rate in commercial buildings and thus lower foot traffic in the central city are a hinderance to the post-pandemic revitalization that our city needs to recover. By lowering barriers to office-to-residential conversions, you are encouraging more housing opportunities at a time we need them most. There is currently 1.8 months of housing inventory if no additional units come on the market. A balanced market will typically lie between four and six months of supply.

PMAR is dedicated to ensuring an adequate inventory of all housing types and supporting cost-effective approaches towards developing housing to prevent people in need from being without a roof over their head. We are encouraged by the direction you are taking as a Council that will further these goals in Portland. PMAR looks forward to working with you through these and future steps as we continue to work for all Portlanders present and future.

Thank you for your consideration,



Michele Gila  
Director of Realtor® Advocacy

**From:** [Cole Merkel](#)  
**To:** [Council Clerk – Testimony](#)  
**Subject:** Letter of Support: Items 212 and 213  
**Date:** Tuesday, March 14, 2023 3:38:28 PM  
**Attachments:** [2023.03.14 HereTogether City Of Portland Letter of Support - Office Conversions.pdf](#)

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Hi there,  
On behalf of HereTogether, I would like to submit the attached letter of support of items 212 and 213 (office conversions) into the record ahead of tomorrow's council meeting.

Please let me know if you have any questions.  
Cole

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**Cole Merkel** | Co-Director  
Email: [cole@heretogetheroregon.org](mailto:cole@heretogetheroregon.org)  
Mobile: 971-313-1528  
Pronouns: He/Him/His

[www.here-together-oregon.org](http://www.here-together-oregon.org)

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March 14, 2023

Mayor Wheeler and Portland City Commissioners,

We are writing in support of amendments to Portland City Code Sections [17.14.070](#) and [24.85.040](#), two code changes aimed at incentivizing office-to-residential conversions. The proposal offers a solution to several problems: office vacancy, diminished foot traffic in the downtown area and the need for more housing.

We support both ordinance changes: providing a monetary incentive by waiving systems development charges on qualifying projects and updating seismic standards for these types of projects.

This proposal aligns with strategies the HereTogether coalition recommends in the [2023 HereTogether Roadmap](#), which outlines proven solutions that can scale up to accelerate our community's response to homelessness. Specifically, the Roadmap, signed by more than 220 organizations, businesses, and leaders across the tri-county, recommends that state and local policymakers should work to **identify and remove barriers to converting empty office spaces into affordable housing and provide incentives for doing so**. As telecommuting remains a regular feature of daily work, developing more housing units represents a significant opportunity.

We recognize that these ordinance changes are not strictly limited to affordable housing but would be subject to inclusionary zoning rules, and we will continue to advocate for more affordable housing at all levels, especially deeply affordable units. Still, we recognize that increasing housing supply, especially smaller units, is critical for decreasing overall housing costs.

We appreciate the work that's gone into crafting this proposal and urge your support.

Sincerely,

Cole Merkel, on behalf of the HereTogether Coalition  
Co-Director  
[cole@heretogetheroregon.org](mailto:cole@heretogetheroregon.org)

*See individual supporters on following pages*

## Organizations and Businesses

 <p><b>AllMed</b> HEALTHCARE MANAGEMENT</p>	 <p><b>ASSIST</b> Assertive SSI Service Team <i>Disability Benefits Training &amp; Cons.</i></p>	 <p><b>BIENESTAR</b> <i>Making Housing a Home</i></p>
 <p><b>BH</b> Blanchet House</p>	 <p><b>bridges to change</b></p>	 <p><b>CAP</b></p>
 <p><b>CENTRAL CITY CONCERN</b> HOMES HEALTH JOBS</p>	 <p><b>CLACKAMAS SERVICE CENTER</b></p>	 <p><b>CPAH</b></p>

 <p><b>CULTIVATE INITIATIVES</b></p>	 <p>DOMESTIC VIOLENCE <b>RESOURCE CENTER</b></p>	 <p><b>easterseals</b> Oregon</p>
 <p><b>Family Promise</b> of Metro East</p>	 <p>HOME BUILDING <b>FOUNDATION</b> OF GREATER PORTLAND</p>	 <p><b>HOUSING OREGON</b></p>
 <p><b>IMPACT NW</b> PREVENTING HOMELESSNESS SINCE 1966</p>	 <p><b>Leaven Community Land &amp; Housing Coalition</b></p>	 <p><b>new avenues</b> FOR YOUTH</p>
 <p><b>NEW NARRATIVE™</b> Integrative Mental Health</p>	 <p><i>Northwest</i> Family Services</p>	 <p><b>Northwest Housing Alternatives</b></p>
 <p><b>NWPP</b> NORTHWEST PILOT PROJECT HOUSING SENIORS   CREATING HOPE   PILOTING CHANGE</p>	 <p><b>OUR JUST FUTURE</b></p>	 <p><b>path home</b> Formerly Portland Homeless Family Solutions</p>



## Community Leaders

**Trell Anderson**, Executive Director,  
Northwest Housing Alternatives

**Aaron Babbie**, Interim Executive Director,  
Stone Soup PDX

**Mellani Calvin**, Founder/Director, ASSIST  
Program

**Matt Chapman**, Retired CEO

**Alexander Cherin**, Partnership and  
Grantmaking Program Manager, SE Uplift

**Doll Crain**, Intern Coordinator, Cultivate  
Initiatives

**Rachael Duke**, Executive Director,  
Community Partners for Affordable Housing

**Brian Everest**, AVP Acquisitions Analyst

**Mother Sara Fischer**, Rector, St. Peter and Paul Episcopal Church

**Rose Fuller**, Executive Director, Northwest Family Services

**Timothy Morgan Gage**, Self Employee, Family Care Planning

**Craig Gerard**, Director of Development, Stone Soup PDX

**Laura Golino de Lovato**, Executive Director, Northwest Pilot Project

**Carol Greenough**, Board Member, Family Promise of Tualatin Valley

**Chip Hall**

**Maria Hernandez**, SHS Program Manager, Bienestar

**Zora Hess**

**Marcia Hille**, Executive Director, Sequoia Mental Health Services

**Julie Ibrahim**, CEO, New Narrative, Inc

**Joan Kapowich**

**Brando Martin**, Housing Justice Project Manager, Unite Oregon

**Ana Meza**, Co-Executive Director, ROSE CDC

**Rev. Julia Nielsen**, Executive Organizer, Leaven Land and Housing Coalition

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**Jill Orr**, Executive Director, Clackamas Service Center

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**Rob Rutledge-Shryock**, Director of Operations, Portland Street Medicine

**Nick Sauvie**, Co-Executive Director, Rose CDC

**Josh Schlesinger**, CEO, Schlesinger Companies

**Katia Selezneva**, Community Organizer, Our Just Future

**Rowie Taylor**, Executive Director, Domestic Violence Resource Center

**Brandi Tuck**, Executive Director, Path Home

**Michele Veenker**, Executive Director, Family Promise of Metro East

**Shyra Wade**, Mental Health Therapist, NARA NW

**Joni Walker-Martinez**, Housing Specialist, Easterseals Oregon

**Douglas Walta**, MD

**Ramsay Weit**

**Cassie Wilson**, Student, Portland State University

**Tuck Wilson**



**From:** [Nicole Possert](#)  
**To:** [Council Clerk – Testimony](#)  
**Cc:** [Fitzpatrick, Andrew](#)  
**Subject:** Public Testimony - Items 212 and 213 at Portland City Council (March 15, 2023 am)  
**Date:** Tuesday, March 14, 2023 8:21:43 PM

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Honorable Mayor and Commissioners,  
As Oregon's only statewide non-profit historic preservation organization, Restore Oregon works with thousands of people across the state each year to preserve, reuse, and pass forward the historic places and spaces that embody Oregon's diverse cultural heritage. By helping our fellow citizens preserve our state's unique built, natural and cultural environments, we help celebrate and promote much of what makes Oregon special.

We generally support any methods to assist in the adaptive re-use of our existing buildings, both as a key strategy for carbon reduction by using the embodied carbon in those structures and as a way to create housing production through the re-use of our underutilized built environment resources, designated historic or not.

This testimony is to support the package of benefits contained in Agenda Items 212 and 213. This combination of tools takes a positive step in the direction of valuing the existing office space that would be viable for re-use as critical housing in downtown Portland. Historic preservation is a tool of value for these properties especially.

We would like to also express support for doing even more as most of the ideal candidates for office to housing conversions that have been identified through this work are the older office buildings. Restore Oregon would be delighted to offer our assistance and support to work in concert with this larger city effort to support additional strategies and incentives to allow these property owners, investors and developers to adaptively re-use these spaces for housing. With financial incentives that could include federal and a new state historic tax credit, special incentives for seismic rehabilitation and more.

Thank you for your leadership on this effort.

Sincerely,  
Nicole Possert  
Executive Director  
Restore Oregon

1327 SE Tacoma St., #112  
Portland, OR 97202  
[restoreoregon.org](http://restoreoregon.org)

**From:** [Amy Ruiz](#)  
**To:** [Council Clerk – Testimony](#); [Fitzpatrick, Andrew](#); [Beyer, Megan](#)  
**Subject:** Oregon Smart Growth testimony on Council Item 212/213  
**Date:** Wednesday, March 15, 2023 11:00:08 AM  
**Attachments:** [Oregon Smart Growth Office to Residential Letter 03152023.pdf](#)

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Attached. Thank you!

Amy Ruiz  
Interim Executive Director  
Oregon Smart Growth



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Sarah Zahn  
*Urban Development Partners*

Vice President  
Michael Nagy  
*Wood Partners*

Secretary/Treasurer  
Doug Burges  
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Interim Executive Director  
Amy Ruiz  
[aruiz@oregonsmartgrowth.org](mailto:aruiz@oregonsmartgrowth.org)

March 15, 2023

Mayor Ted Wheeler  
Commissioner Rene Gonzalez  
Commissioner Mingus Mapps  
Commissioner Carmen Rubio  
Commissioner Dan Ryan

Portland City Hall  
1221 SW 4th Avenue  
Portland, OR 97204

Dear Mayor Wheeler and Commissioner,

Oregon Smart Growth (OSG) is a coalition of developers, investors and allied professions committed to the feasible development of walkable, livable communities that are environmentally, socially and economically sustainable.

OSG appreciates the current focus on increasing housing production across Oregon, as a critical strategy to address our housing affordability crisis, reduce homelessness, and enhance our economic prosperity.

Inadequate housing supply and continued underproduction is an alarm bell we have been vigorously ringing for years. We shared a list of urgent actions we urged the City to take in October 2020, concerned that on top of the pandemic, persistent issues with permitting and regulatory unpredictability combined to communicate to the development world that the City of Portland is effectively closed for new development business.

Few of the action items we outlined were implemented. Indeed, Portland continues to lag on the annual Urban Land Institute development opportunity ranking—a measure of developer and capital investment interest in our region. For 2023, Portland lags in the bottom third of the 80 regions surveyed, ranking 56th. In 2017, we ranked 3<sup>rd</sup>.

And Portland's recovery from the pandemic continues to struggle, particularly in the Central City—where office vacancies outpace our peer cities, foot traffic hasn't returned to pre-pandemic levels, and there are persistent concerns regarding livability and public safety.

It is against this backdrop that you are considering a pair of ordinances aimed at encouraging the conversion of office space to residential use, to produce needed housing, and add additional residents that will in turn enhance the vibrancy of our Central City.

Office-to-residential conversions are an extremely challenging type of development. The changes to the seismic improvement standards and companion System Development Charge waiver before you today are a step in the right direction to support these projects.

But as OSG members have shared with City staff, it is very likely that additional incentives will still be required to make projects like these feasible.

We are glad that the current City Council is taking the issue of housing production seriously, considering creative ideas, engaging robustly with stakeholders, and evaluating technical information to craft policy solutions. But we want to caution all of us against collective patting ourselves on the shoulders following the adoption of today's ordinances. The housing they may produce is a drop in the sea of Portland's massive needs:

- Portland City Council adopted Resolution 37593 last November, establishing key actions to increase housing production, recognizing that “the Portland region will need to produce 295,000 additional housing units, including both market rate and affordable units, by 2040 in order to accommodate projected growth and to make up for past underproduction.” The Portland region needs to produce more than 17,000 units per year until 2040 to meet our regional needs; This is a number we've struggled to reach even when construction booms.
- And Governor Tina Kotek just established a Housing Production Advisory Council, tasked with developing strategies to produce approximately 36,000 homes each year for the next ten years.

We have our work cut out for us. It is our hope that you adopt the ordinances before you today, and we immediately get to work on actions we know will have a much larger impact on housing production:

- **Reform Portland's Inclusionary Housing Program to Increase Production of Market Rate and Affordable Units.** Portland's inclusionary housing program has far underperformed its potential, with just 587 units in private market projects developed since the program launched in 2017 through the end of last year. That's less than 100 per year. With a long-awaited calibration study nearly complete, it is our hope that Portland will act quickly to reshape the program to focus more on the must-have of production and less on ancillary issues like reasonable equivalency, a building's mix of income levels, or a building's ratio of household sizes.
- **Implement an SDC Moratorium or Defer SDCs for Housing Projects.** Our housing state of emergency requires prioritizing housing above the many investments our city needs, and a temporary moratorium on SDCs reflects that reality. At a minimum, deferring the payment of SDCs until time-of-sale or two years after a permit is issued reduces carrying costs, and makes development more feasible.
- **Rapidly Evaluate the Multi-Dwelling & Middle-Housing Regulations Survey Results and Implement Regulatory Changes.** We were encouraged by the recent survey related to housing production; many of our members provided input into the barriers various city codes and regulations are to housing production. Taken individually, many development-related codes and policies Council has approved over the past 5-6 years seem great, and most support city goals around climate resilience, renewable energy, and transportation choices—from the just-adopted EV Ready Code to changes in bike parking requirements. However, while these changes are designed to enhance the livability of Portland, they often stack together to make it difficult to create places for Portlanders to live. We encourage you to take a hard look at which of these newer requirements and boldly prioritize; which can be paused until we have an actionable Housing Production Strategy and are on track to meet our local housing production goals? In addition, we would urge Portland to adopt a policy of estimating new code requirements' impact on housing

production, so City Council is fully informed of the potential trade-offs of policies that meet some City goals (climate, energy) but may hamper others (housing supply).

- **Speed Up Permitting.** We recognize the work of the Permitting Improvement Task Force, and note that after nearly two years, permits for new commercial construction persistently take 200 or more days to issue according to the city's dashboard (and our members' experiences are often much longer). The City can take bold action and adopt a 120-day rule for permit issuance, similar to the state law that requires a final land use decision within 120 days of a complete application; If the City cannot process the permit within 120 days the applicant should have the option to submit the permit to a third party review firm for review and approval. In addition, the City should consider self-certification for certain types of permits, such as tenant improvements.

Oregon Smart Growth is committed to staying at the table with you as we work together to craft additional—and more impactful—solutions to our housing supply crisis.

Sincerely,



Amy Ruiz  
Interim Executive Director  
Oregon Smart Growth

**City Council Meeting - Wednesday, March 15, 2023 9:30 a.m.**

<b>Agenda No.</b>	<b>First Name</b>	<b>Last Name</b>
212-01	Cole	Merkel
212-02	Jon	Isaacs
212-03	Sara	Fischer
212-04	Michi	Slick
212-05	Sarah	Zahn
212-06	Kai	Krenek
212-07	Preston	Korst
212-08	Jim	Atwood
212-09	Bridgecrane Charles	Simcha Johnson