Eastmoreland Neighborhood Association

February 23, 2015

Subject: Draft Proposed Comprehensive Plan Update
Eastmoreland Neighborhood Association Testimony.

C: Stockton, Engstrom, Zehnder, Anderson

Dear PSC Chairman Baugh and PSC Commission Members,

Your consideration of our testimony is appreciated especially considering the scope of the issues to be addressed. Our letter is written in two parts, focusing on the draft Plan as a whole followed by neighborhood specific requests in the context of the Plan.

The first part addresses the Comprehensive Plan Update Proposed Draft released in July, 2014 highlighting concerns about Key Directions and a narrow selection of Goals and Policies; especially single family residential issues that are proposed to be accepted status quo in the form of existing zoning regulations. The entire CP document represents an heroic effort and contains many valuable and worthy directions. In our comments we focus on a few selected areas that seem particularly off the mark and needing discussion and revision.

In the second part, we continue discussion of Draft Comprehensive Plan requests made by the Eastmoreland Neighborhood Board in December of 2013, and reiterate with substantial supporting analysis the requests made in that 2013 letter. Your approval will increase the area of the neighborhood with zone designations consistent with context and endorse the work accomplished and in progress to guide future development within the expanded Plan District. For both there is a very high level of support in the neighborhood.

During the past year, our neighborhood has seen an extraordinary amount of wasteful demolition and "remodels" of more affordable and viable housing. The replacements are far more expensive "product" generally of a size overwhelming the site and dominating the surrounding neighborhood in height, volume and site coverage. While there is clearly a demand for somewhat larger and newer single family housing, the *unbridled encouragement* for this type of redevelopment is not leading the city or the neighborhood to a better place.

Key Directions (Introduction 2035 Comprehensive Plan –Proposed Draft July 2014)

Complete Neighborhoods is a concept we strongly support. In our case this includes support for adjacent neighborhood center plans and for retention of existing neighborhood supported commercial uses as proposed in changes 766 and 639.

One Size Does Not Fit All. "Plan and design to fit local conditions" is a concept we strongly support – but not the "Five Portlands" panacea. Reading the details in *GP3* makes clear that the authors have not been listening to cries from neighborhoods across the city and from the

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Residential PEG group that found "Five Portlands" aka *Pattern Areas* to be an inadequate approach to meet goals for *preserving and enhancing neighborhood* character while adapting to change. The *Pattern Areas* are broad categories at best. They do not account for the distinct characteristics and context of neighborhoods within the *Pattern Areas*.

If "one size does not fit all" and *goals 4A (***Context-sensitive design and development***) and 4B* (**Historical and cultural resources**) are foundational, a zoning code framework that can be tailored to fit a variety of neighborhoods, is context sensitive, accounts for historical resources, and is practical for implementation must be developed. Given available technology, maps can be readily linked to applicable standards and overlays that make it easy to understand the requirements without an unwieldy document search. We suggest that the "plan district" overlay such as that proposed for our neighborhood could be a model for localized context sensitive standards.

Missing and Noticeably Absent. The concept of *Neighborhood Plans*, so important in the past 20 years after the 1980 Comprehensive Plan was adopted, needs to be front and center to provide the basis for both complete neighborhoods and context specific standards. While there are certainly public processes influencing the Comprehensive Plan and a section devoted to this in the Goals and Policies, *there is no mention* in "**Key Directions**" of neighborhood planning.

Imagery in the Plan illustrating *centers and corridors* are surprisingly uninspiring. They show wide streets and monotonous building facades that seemed as rootless as any suburban 5 lane arterial one might encounter- not inviting pedestrian spaces.

"Urban Design Direction" which illustrates the intent of the plan was not issued until mid-September 2014 and both Institutional and Mixed Use zones are in process as of this writing. Purposeful public engagement and opportunities for public testimony must be reopened and the March 13 date for close of written testimony must be reset to give time for review of the plan as a whole.

Planning Goals and Policies (Summer 2014)

GP4 Design and Development goals are excellent but don't jive with "Five pattern areas". Goals 4A "Context–sensitive design and development",4B, 4C, 4D and associated Policies 4.1-*4.13 Scale and Patterns (except the unexplained entitlements in the last sentence) and 4.14* - 4.68 are important goals that we support. When reduced to "Five pattern areas" however the goals relating to context and historic patterns and resources lose serious credibility. Context is localized in space - not categorical and the *pattern areas* are simplistic categories. The GP4 section deserves a separate critique in terms of application to code that is beyond the scope of this testimony.

GP2-1 Community Involvement notably fails to highlight Neighborhood Associations as participants for public participation in the planning process. ***GP-4.2*** **and** ***4.3*** the role of the Neighborhood Associations are similarly omitted. In the **Guiding Principles** ***GP1*** there is no mention of public participation.

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Historically, **neighborhood associations** are the designated contacts in land use review, the engines behind neighborhood planning and protecting Portland citizens from destructive impulses of urban freeway visionaries, the pressures of irresponsible development and careless abuse of environmental and cultural resources. While admittedly varying in capacity, these organizations along with business associations (these *are* mentioned) the Neighborhood Associations need to be recognized as integral to *ongoing success of formulation, implementation and enforcement* of land use policies.

Despite an entire chapter in **GP2** devoted to community involvement, it is difficult to see the instances demonstrating that BPS has moved *beyond the reactive mode* in developing a vision for the *distinctive neighborhoods* the document purports to support.

The Woodstock neighborhood (WNA) is an example of a group that has, at its own expense, initiating such an effort. There are certainly others. Encouraging neighborhoods that take the initiative to create a neighborhood plan should be a key goal of community involvement and be supported with policies and funding to match.

The role of the ***Policy Expert Groups*** in addressing the Draft Comprehensive Plan goals and policies is inexplicably omitted. Consider: Months of effort by staff and mostly unpaid volunteer participants lead to the final draft version of the **"Residential Design and Compatibility"** report. That was effectively whitewashed by staff editors in its final version. For the benefit of the PSC Commission it should be referenced and hot linked from the Proposed Draft Comp Plan document.

> "The land use designations indicated for single dwelling residential substantially *misrepresent* the intended densities…. and should be targeted for reconsideration"

GP10.5 Land Use Designations **(Truth in zoning).**
The land use designations indicated for single family residential substantially *misrepresent* the intended densities. For example, beginning in 1945 the R5 designation (**Appendix A** page 3, 1980 Comprehensive Plan) indicates minimum lot size is **5000 SF** or rephrased it is intended that each dwelling has approximately 5,000 square feet of land. In fact lots of **3,000 SF** are allowed, **2,500 SF** in random settings, and at corners lots as small as **1600 SF**. These compromised 'standards' have evolved as a gradual erosion of the minimum density as described in **Appendix A**. The entitlements are parked in various sections of the zoning code and are difficult to track, understand, and interpret. Very few people, even experienced planners working in the City fully grasp the implications - they are anything but transparent. Consequently we recommend that *confusing* single family zoning designations *not* be endorsed by inclusion in the Comprehensive Plan but rather targeted for reconsideration.

For a summary history of the evolution and erosion of single family zone designations please see **Appendix A : Milestones in Portland's Residential Zoning Code** attached to this testimony. *This work in progress is the first effort to create a full history. The records are difficult to locate and important portions appear to be closed to public access.* Further discussion follows below:

Alternative Development Options (**33.110.240**) These policies are intended to make use of "underutilized land" or to incentivize other social goals, often worthy in concept. In 1990 the policy claimed to meet the following goals: "They promote better site layout and opportunities for private recreational areas; they promote opportunities for affordable housing; and they promote energy-efficient development." (**Appendix A**, page 5, from page 3 1990 Zoning Code…)

Some argue that these policies "make room" for new residents by increasing density thereby containing the urban growth boundary. BPS research finds that this is not proved to be an effective way of increasing density. The growth boundary is most impacted by policies of outlying city growth patterns and zoning regulations. Actually these "options", lots of record entitlements, and the revised lot standards (tucked into **33.610.020 table 610-1**) undermine the density and lot size standards. Too often, as described below, they fail to meet the stated goals, compromise many other worthy goals, and result in unintended negative impacts.

Among the most contentious "alternatives" is the recognition of substandard platted lots – aka **historic lots of record** (**33.110.213**). These are lots or portions of lots, accidents of history, randomly located across the city that typically do not meet the density standards established by the code. They were – except in rare instances – amalgamated into larger tax lots that *did* meet density standards of the zone. Until 1990 they were not recognized as entitled lots superseding zoning standards. When they were recognized in 1990, they were portrayed as *empty lots* on which smaller more affordable houses could be built. Under pressure from developers, these were approved by then Council members over objections from the Planning Commission. (**Appendix A**, page 8, June 4, 2003). Now is an opportune time to reverse this misjudgment and to either tightly constrain or remove these arbitrary entitlements from the code except where the zoning designations and other policies (besides density) support this density.

The most conspicuous outfall of the *entitled substandard lots* phenomenon is the "**skinny house**"- a 15 foot wide structure on a 25 foot wide lot – typically an elongated garage with a dwelling unit above (**Appendix A**, page 7). Neighborhoods and the Planning Commission became alarmed at the *unbridled scale and garage door architecture* dominating the street and adjacent yards as well as *wholesale destruction of blocks of existing viable housing*. Again Planning Commission recommendations to end this type of infill were over ruled by developer friendly Council members in 2003 arguing that these houses produced "affordable" housing. They were however limited to "vacant" land (or land made vacant).

By demolishing houses and splitting lots, developers were given a free hand to produce clusters of highly inefficient "skinny" housing. The houses produce a streetscape dominated by garages and driveways violating adopted design standards applied to other structures in the same zone. They are built at a scale overshadowing neighbor houses and yards leaving little open land for landscape or garden. Side yards are long narrow strips of barkdust. The "**skinny house**" is inherently energy inefficient by geometry (large amount of exterior surface relative to their enclosed area). Generally they are less affordable than the houses they replaced.

Considering the outcomes, it is essential to reverse this misguided experiment. We recommend areas of R2.5 density near centers and corridors while encouraging attached common wall

housing with minimized garage and driveway or where appropriate reworking the code so that the *house is proportional to the lot size* for the zone designation.

The "**narrow lot house**", typically on a 30 to 40 foot wide lot has been offered as a reasonable form of infill housing in an R5 zone. In some neighborhoods such a pattern is consistent with earlier precedents and is non-controversial. In other neighborhoods this policy damages the neighborhood character by encouraging speculative lot splitting, demolition and removal of affordable and viable housing.

The **corner lot attached or duplex** (see **Appendix A**, page 8, 2002) may in some cases be an appropriate solution for adding additional housing. But lacking regulation of what is appropriate to demolish and design regulation and scale limitations for what is built, this is simply an incentive to demolish and redevelop while doubling the stated density. (For an example of the impacts, see **Exhibit F**)

> "…[these] policies are producing little in the way of affordable new housing, ..increase the carbon footprint… don't promote better site layout, and … don't accommodate many more residents. …[They have] proved to be **corrosive to public trust** …The primary benefit accrues to private development interests at the expense of existing neighborhood residents and artificially drive up the value and cost of land and housing..."

Most Portlanders seem comfortable with the **"accessory dwelling"** provision that provides flexibility to add a modest sized second residential unit when accessory to a primary residence. This entitlement provides a reasonable but *unrecognized doubling of dwelling unit density on every site*.

No doubt some portion of the housing stock is in such disrepair or of such poor quality that it is effectively obsolete and should be replaced. Replacement housing is typically larger and more expensive. True also there is a strong market desire for housing constructed to new house standards in terms of energy efficiency, seismic resistance, and not requiring extensive renovation and repairs. Alternative density standards may in some cases advance this process by incenting new houses on smaller lots but at what cost and for whose benefit? The regulatory balance favoring the context and numerous other criteria that support "livability goals" and the desires of Portland's citizens needs to be revised, ***tested***, then implemented.

It is our understanding that the BPS numbers show "alternative development" policies are producing little in the way of affordable new housing, and (without effective standards for scale massing or design) don't promote better site layout, and finally don't accommodate many more residents. *They are not meeting their purpose*. The primary benefit accrues to private development interests at the expense of existing neighborhood residents. They artificially drive up the value and cost of land and housing as would-be resident owners compete against developers with cash-in hand offers to purchase.

Without considering context, these *one size fits all* policies encourage wasteful redevelopment

and infill – often destructive to the fabric of existing neighborhoods and not consistent with other adopted Goals and Policies. They generally reduce affordability and result in displacement of groups specifically targeted for protection in the goals and policies, and in some cases threaten historic architectural and cultural fabric. They increase the carbon footprint from producing replacement materials and by adding significantly to landfill from demolition.

It comes as a great surprise to most residents that the "alternative development options" and compromised density standards allow the type of infill discussed above and that all corner lots are entitled to double the allowable density by splitting those lots regardless of the quality of housing in place or in the resulting construction. Not least, this back door planning with opaque and misleading standards has proved to be **corrosive to public trust**.

Summary Policy Comments

- The residential zoning designations need to relate to the context (one size does not fit all). Densities should reflect historic patterns but also a pattern of increased density in the context of planned, complete, neighborhoods that protect historic and cultural resource values.
- The lack of compatibility standards for infill as well as design standards for the neighborhoods is becoming increasingly important and should be addressed in the comprehensive plan. Regulations need to be modeled and tested.
- The planning of neighborhoods must involve those who live and work in the neighborhood. The City should do much more to encourage neighborhood associations and business associations to engage in planning specific to their locale.
- The single family zoning regulations need to be easily understood by the public, the construction industry, and by City staff responsible for review and enforcement.
- Underlying lots of record and lot remnants are random accidents of history. Entitlement effectively encourages non-contextual spot density zoning.
- The single family zoning *density policies* are *failing to meet many of their intended purpose statements.* The context indiscriminate "alternative development" policies and revised lot standards (tucked into **33.610.020 table 610-1**) are producing little in the way of increased density and less *affordable* new housing. They remove viable lower cost housing from the market and add to regional land fill problems. They drive up the value and cost of land and housing (not because of the constraints of the regional urban growth boundary but because existing lots are valued for their potential to be divided).
- The primary benefits from the compromised density standards accrue to private development interests at the expense of existing and future neighborhood residents. They undermine public trust in planning.

Many of these issues were addressed in considerable depth by the "Residential Design and Compatibility" Policy Expert Group but their recommendations are omitted or ignored in the Proposed Draft Comprehensive Plan.

Eastmoreland Neighborhood Specific Requests and Analysis

Neighborhood Comprehensive Plan goals remain focused on two essential objectives from our letter of request for comprehensive plan changes dated December 2013:

- R7 designation extended to the entire area within the neighborhood association boundary except as noted.
- Development of a well-crafted Plan District that encompassing the entire neighborhood. The goals for the plan district have been adopted by the ENA Board and are widely supported in the neighborhood. The *implementation plan* for the plan district is in development. The *expanded plan district* should be acknowledged in the Comprehensive Plan.

The requested inclusions for *both the expanded plan district* and *the zone designation change* are *consistent with the goals and policies identified in the comprehensive plan* such as contextual design and community participation. ENA analysis supports both addressing the following comprehensive plan criteria:

- Existing land use patterns and density
- Historical development patterns
- Housing Diversity
- Historic and Cultural Resources: streetscape and architecture
- Access to transit
- Access to Services

Existing Land Use Patterns and Density

Lot size and lot size frequency within the neighborhood boundary was analyzed by the ENA as a whole in our original request and in discrete areas in this analysis to demonstrate consistency. For the western portion extending east to SE 36th Avenue the mean lot size is **7247 SF**, for the northeast quadrant the mean lot size is **7,062 SF**, and for the southeast **5,592 SF**. With the exception discussed below, **R7 is the appropriate designation** for all quadrants under current **33.110** and **33.610** standards. Please refer to the attached map, bar chart, and pie chart (**Exhibit A, Exhibit B**). In addition consider the following:

- Public support is very positive on the MapApp and in other forums. Reviewing the MappApp comments as of December 1 there were approximate 90 out of 100 comments in favor of expanding R7 to the full neighborhood boundary (Half the opposed do not live in Eastmoreland and of those some appear to be duplicates). Many are in favor of expanding R7 to the full neighborhood boundary and none expressed opposition to this point.
- For the northeast quadrant, lots facing SE Woodstock Blvd east of SE 36th Ave and lots abutting SE CCB (39th Ave) north of SE Glenwood are appropriately classed as R5 for their convenient access to transit and services.

- Only 2% 0f the lots in the neighborhood are 4200 SF or smaller. These were developed in recent years as the result of tear-down lot splitting primarily in the most vulnerable southeast quadrant. They are clearly incompatible with the scale, streetscape, and character of the neighborhood. Again supporting R7 designation.
- Lots sizes, development, architectural character and land use patterns in the all but the southeast quadrant are indistinguishable although density patterns vary somewhat by the block and topography.
- There are a *large number of 7500 SF* and larger lots many with random underlying lots of record. Establishing the minimum lot size at 4200 SF (R7 standards) is critically important to reduce haphazard lot splitting and to preserve the historic streetscape.

The southeast quadrant (or Berkeley Addition) consists of blocks of 25 x 100 lots of record. The mean lot size in the quadrant (in 2011) was 5,592 sq. ft. with 23% of these lots 6,000 sq. ft. or larger. Using current R5 standards, all of these lots could be split into minimum 3,000 SF lots following demolition of existing housing stock and all corner lots can be split by right into 2,500 SF lots. For these reasons and as well as lacking access to transit and access to services discussed below, the *R-5 zoning definition is clearly inappropriate* for this quadrant.

Housing Affordability

The incentives in the code and market conditions are reducing affordability. The southeast quadrant contains some of the oldest houses and the largest number of post World War II workforce housing that is the most affordable. With a predominance of 25 foot wide lots of record it is also the most vulnerable to the lot splitting. Encouraged by the "alternative development options" and compromised density standards, these are being replaced by much larger and more expensive production housing. *The value of retaining houses under R7 zoning standards is to maintain diversity of housing types and affordability and to discourage upward price pressures on land values resulting from speculative teardowns*.

Housing Diversity

The neighborhood has a wide range of house and lot sizes and prices, a reflection of the economic times during which they were built as well as marketing and design preferences. As house sizes trend larger and more expensive this diversity is eroded. The proposed plan district standards and the R7 designation are intended to check this by limiting lot coverage and house sizes to comport with the existing scale, favor renovation, and discourage teardowns.

Substantial pressure to remodel and redevelop will continue. The application of "alternative development options", reduced lot size standards, and application of lots of record entitlements has incentivized and rapidly accelerated this activity in the last 2 years. The effect is to raise land and thus house prices. The result is larger, less diverse, and less affordable housing, as well as serious damage to the distinctive neighborhood character.

Historical Development Patterns

The Eastmoreland subdivision, the northeast quadrant (College View, Campus Heights, etc.) and the Berkeley Addition share the heritage of being street car suburbs served first by the suburban line running along the Springwater corridor with a station at the foot of SE 37th Ave.

The later Bybee street car line extended through the center of the Eastmoreland subdivision and into the Berkley subdivision along SE Knapp to SE 45th Ave.(the City boundary at the time). **Exhibit C** shows the rail and streetcar lines circa 1924. The oldest and newest houses are found in the southeast quadrant platted as the Berkeley Addition. The original neighborhood post-office, Ward's store, was replaced by a house at 7405 SE 37th. The entire neighborhood was developed with lots of at least 5,000 SF and many larger. **Exhibit D** shows houses the year built from 1888 to 2011 (from BDS permit records) indicating that the oldest houses were built and streets surveyed in the eastern quadrants prior to the platting of the Eastmoreland subdivision dating from 1910.

The neighborhood shares a common historical development pattern *and most important a common streetscape* characterized by substantial areas of front and rear yard ornamental landscaping, minimized driveways and garage presence, and houses proportioned to lot size. All these qualities are threatened by the application of lots of record entitlements, R5 standards and "alternative development options". All of these qualities are to be preserved and enhanced under the goals of the proposed plan district.

Historic and Cultural Resources : Streetscape and Architecture

The Eastmoreland Neighborhood strength of identity lies in its historic character on several levels. The unique street pattern of straight, gridded north-south avenues bisected by curving east-west streets that follow old streambeds is unique in the Northwest and has few precedents elsewhere in the country. The east west curvilinear streets align with the earlier platted streets of subdivisions to the east. Reinforcing this grid-and-meander street pattern, linked in spirit to the earlier Ladd/Olmsteadean developments of Ladds Addition and Laurelhurst, is a dominant pattern of large deciduous tree planting with Elms lining the east-west streets and maples lining the north-south streets.

The relatively wide planting zones for these trees and proportion of lot size relative to the size of houses creates a park-like setting that accommodates and unifies a diverse architectural heritage. The axis of the neighborhood and its iconic central feature is the mile long park-boulevard featuring an arcade of linden trees that extends to the 'great lawn' of Reed College. This combination of landscape and street plan is of unique and historic importance and the defining character that unifies all quadrants of the neighborhood.

Eastmoreland's architecture on first viewing might seem a picturesque variety of sizes and styles from craftsman to mid-century modern, builder customized plan houses to distinguished work of Portland architects. It is impossible to find any two of identical design but characteristically the architecture is dominated by three revival influences–Colonial Revival , English cottage styles and California mission style. Two-thirds of the neighborhoods 1500 houses were built in variations of these styles during two relatively short periods, 1925-30, and 1936-40 giving a surprising unity to the outward variety. On the streets east of the Ladd Corporation development, between 36th and 39th Avenues, this unity of house types and styles is continued without interruption in the northeast quadrant. Giving further unity to the whole is a neighborhood tradition of large street trees and extensively landscaped yards even for modest houses distinctively visible from aerial view and widely appreciated and worthy of preservation.

Access to transit. Portions of the Eastmoreland neighborhood are served by three routes only one of which is more than tangential. These routes and their predicted quarter mile walking catchment areas are shown on **Exhibit E.** Frequency of service is not shown but described below.

The 19 bus line is accessed on alternate routes either along the northern edge of the neighborhood on SE Woodstock Boulevard or on an inner loop extending along Se 29th and SE 32nd as far south as SE Rex before rejoining the common route east and west. Service frequency for prime weekday commuting hours is roughly on twenty to thirty minute intervals for each alternate. Saturday service is closer to hourly, begins mid-morning and ends mid evening. For the inner loop there are only two trips on Sunday. (Trip time to and from downtown is increasingly unpredictable during rush hour and will become gradually less viable in future as a result of congestion through the Brooklyn neighborhood.) The second bus route is the 75 that provides frequent (approx. 15 minute) north-south service from the northeast corner of the neighborhood (SE Woodstock Blvd at SE CCB (SE 39th Ave.) The third route will be the nearly complete Orange light rail line. Presumably this will be a draw for bicycle and kiss and ride commuters as well as transfers from the 19 and pedestrians from within a ten to fifteen minute walk from the station platform.

The importance of this analysis is to demonstrate that *the least served (or unserved) area of the neighborhood is the southeast quadrant*. As a result of the lot splitting encouraged by application of lots of record entitlements, R5 standards and "alternative development options" it is *effectively zoned for the highest density*. This is an essential point supporting R-7 designation for this area of the neighborhood.

Access to Services

Currently only the northeast corner of the neighborhood, primarily a small portion along Caesar Chavez Boulevard and along Woodstock Boulevard, could be considered to be within a 20 minute walk of the Woodstock corridor commercial area. Note that SE Martins street is not a through street. For these reasons we support the R-5 designation in the limited areas shown on **Exhibit A.** Again the least served area of the neighborhood is the southern half especially the southeast and southwest quadrants. As a result of the lot splitting encouraged by the current zoning code and narrow lots of record the south east quadrant is inappropriately zoned for the highest density. This is yet another cogent argument for this area of the neighborhood to be assigned the R-7 designation.

Summary

Considering *the criteria of the comprehensive plan* the research and analysis points to the conclusion that for now and in the foreseeable future the the medium density zoning (**R7**) is the appropriate Comprehensive Plan designation for the Eastmoreland Neighborhood.

We hope you will agree that all quadrants deserve equal attention in shaping future development that can best be facilitated with an expanded and well-crafted neighborhood

developed and approved Plan District. We look forward to continuing the good working relationship with neighborhood liaisons and City staff in bringing this to fruition.

Thank you for your consideration.

Rod Merrick AIA, Clark Nelson Land Use Co-Chairs

Eastmoreland Neighborhood Association
Robert McCullough, President

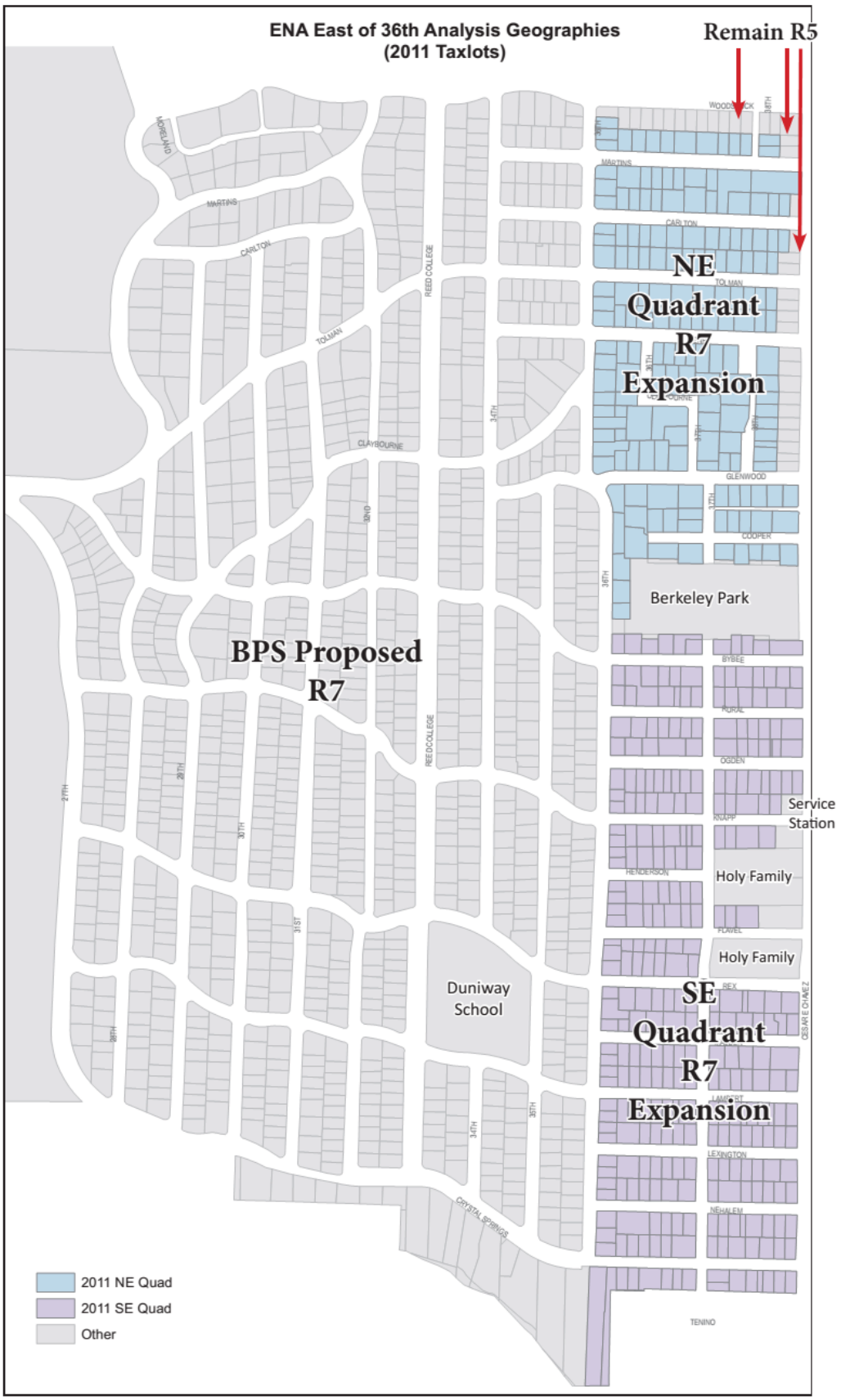
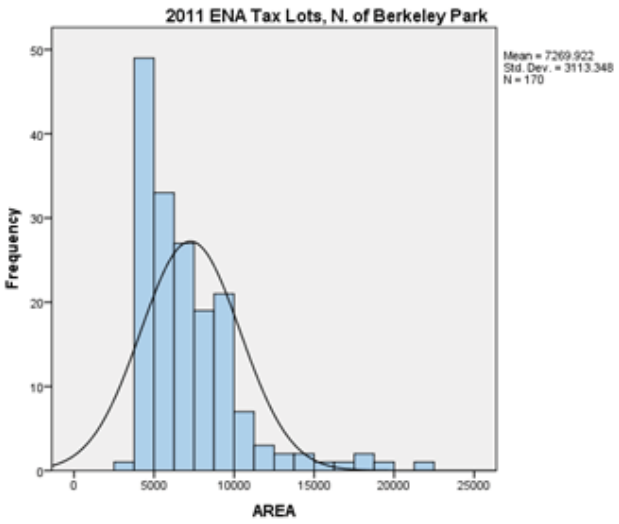
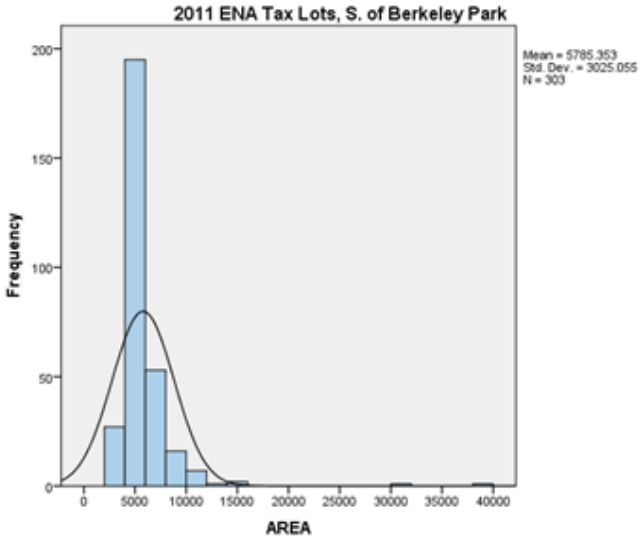


EXHIBIT A
PROPOSED ZONING AND QUADRANT ANALYSIS

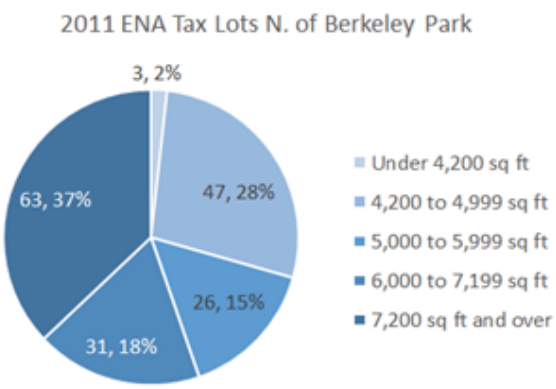
WITH ENA BOUNDARIES



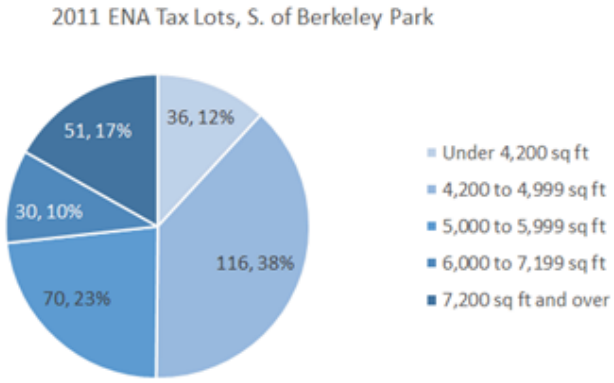
Average Tax Lot Size in 2011 = 7,270sq. ft



Average Tax Lot Size in 2011 = 5,785sq. ft.



NORTHEAST QUADRANT



SOUTHEAST QUADRANT

EXHIBIT B
EASTMORELAND LOT SIZE ANALYSIS – NE AND SE QUADRANTS

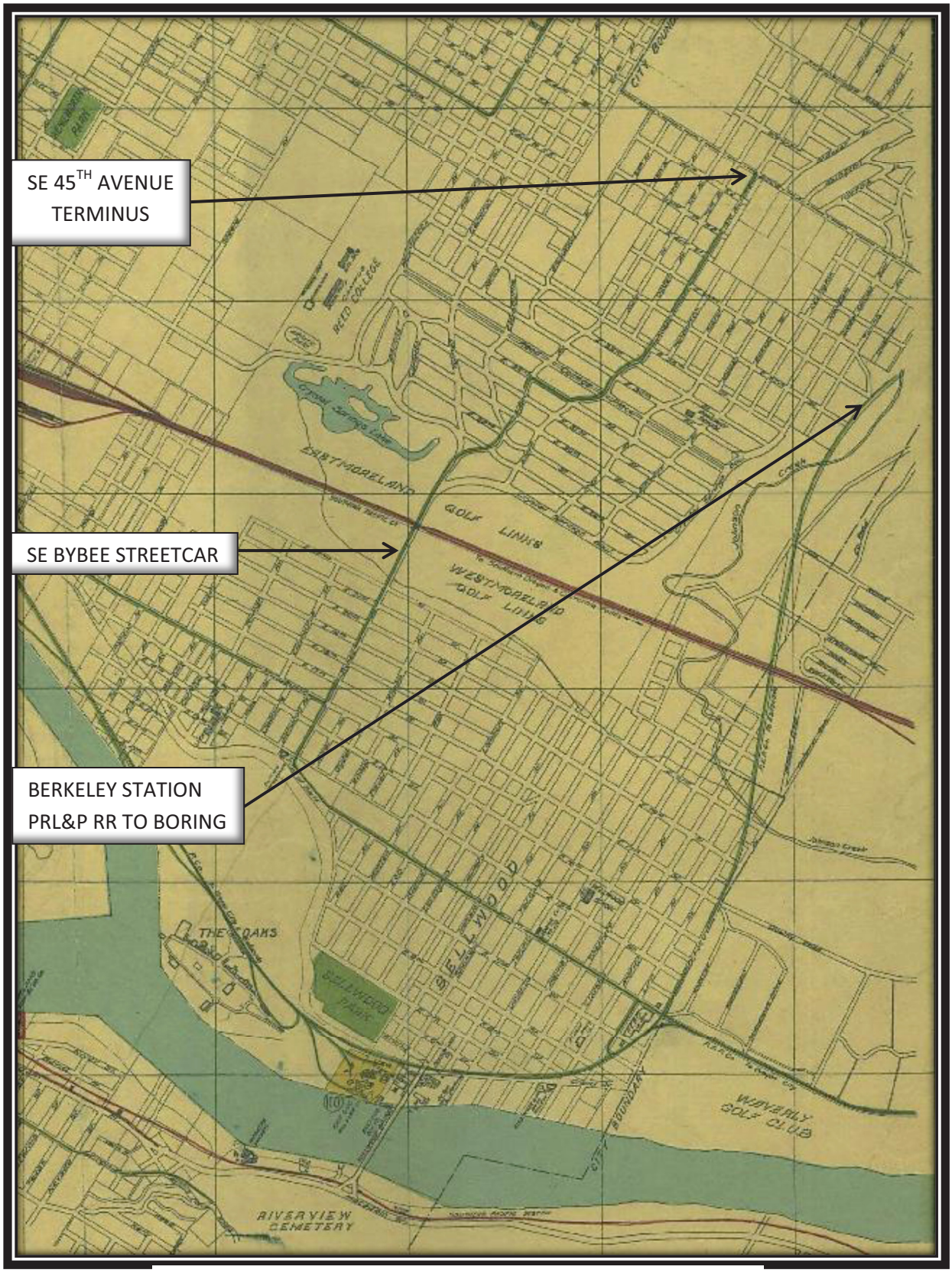


EXHIBIT C

HISTORIC STREETCAR AND RAIL LINES – 1924

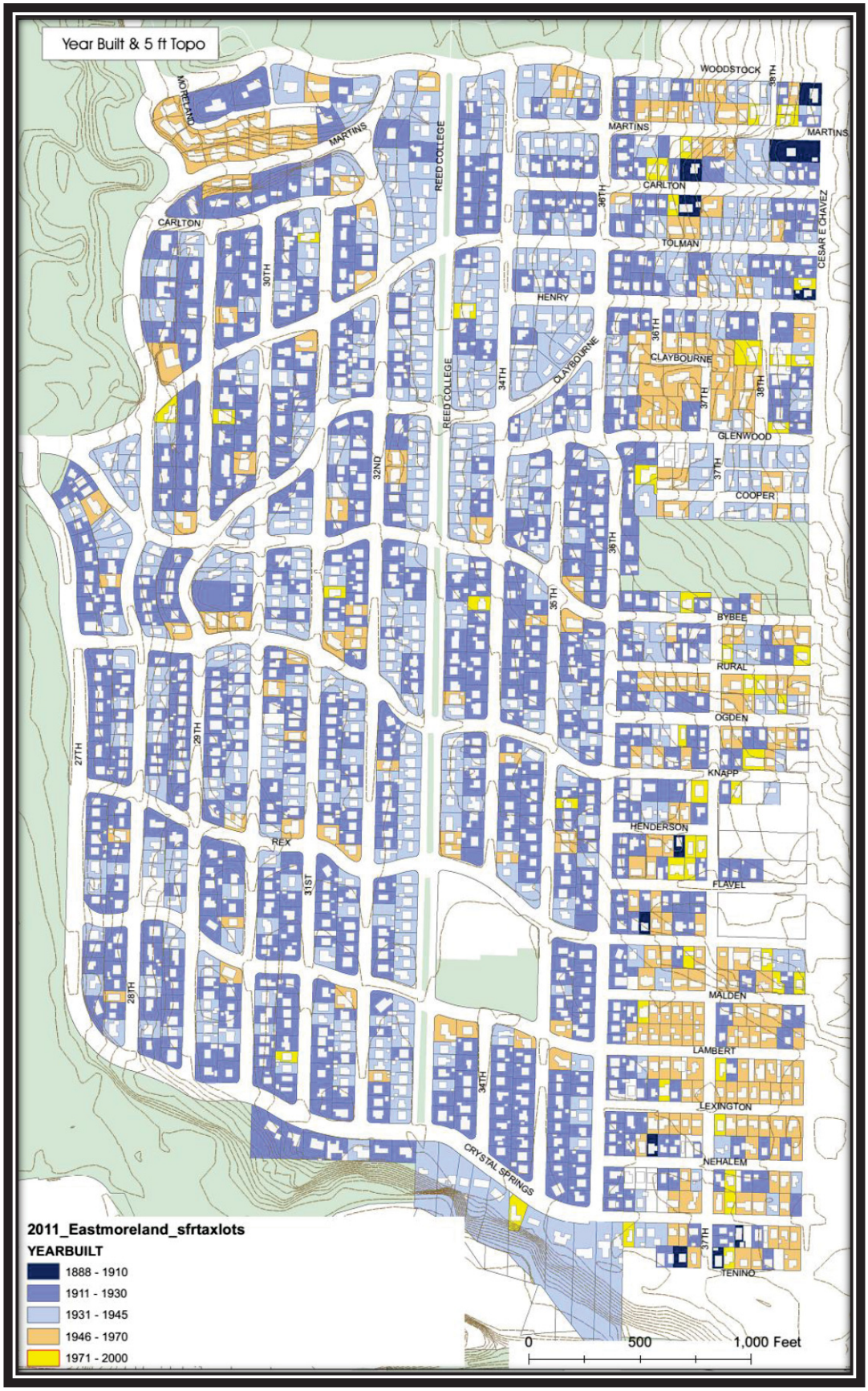


EXHIBIT D

HISTORIC DEVELOPMENT, YEAR BUILT- BDS PERMIT RECORDS – 1888 TO 2011

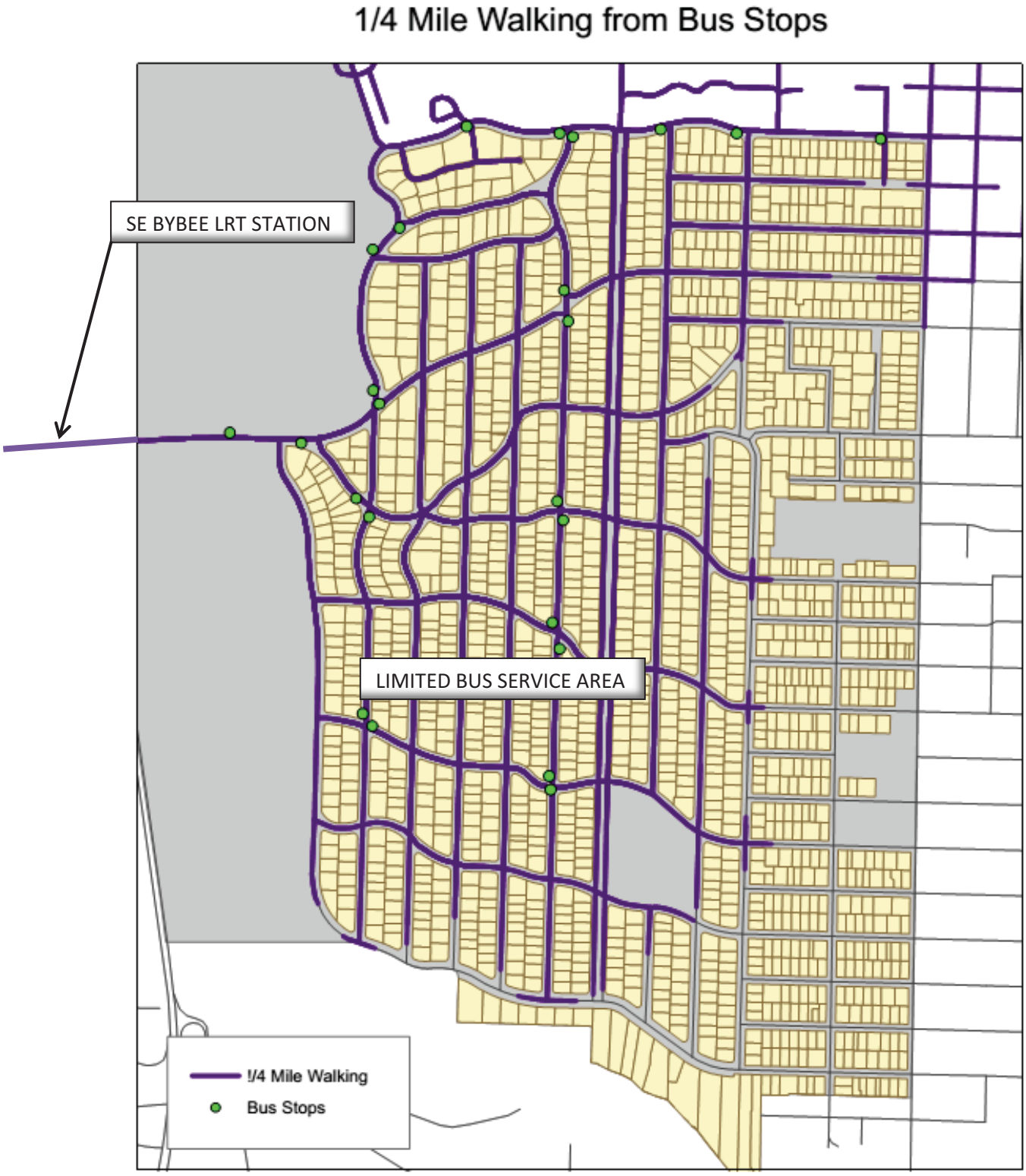


EXHIBIT E
ACCESS TO TRANSIT

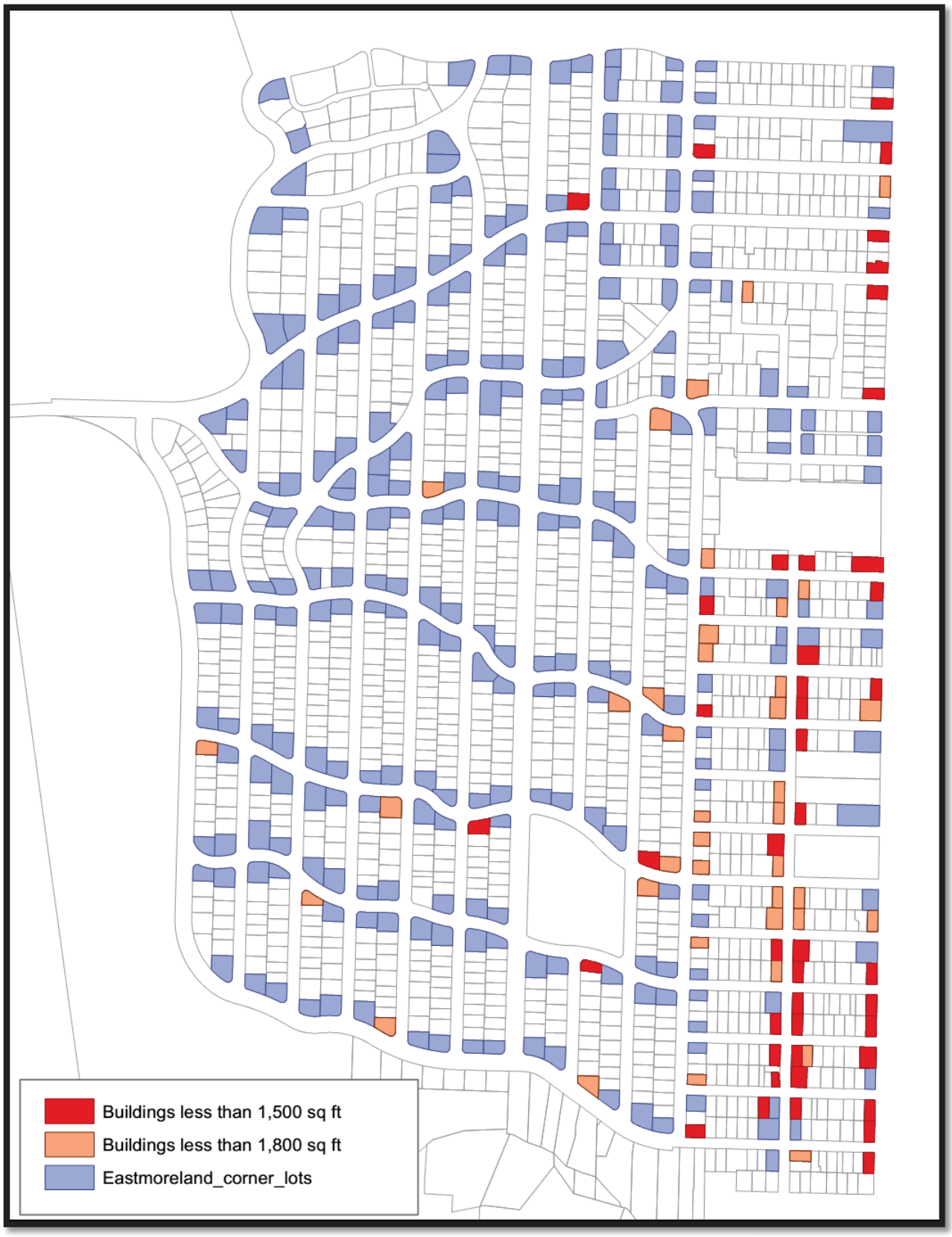


EXHIBIT F

CORNER LOT VULNERABILITY

APPENDIX A
Milestones in Portland's Residential Zoning Code
Notes for an upcoming paper, compiled by Meg Merrick, August 2014

- **1924**. **Portland's first zoning ordinance**. Largely created by real estate interests, a pyramidal system of zoning was established with an exclusive single family residential zone. Broad swaths of land were zoned for apartments and commercial uses. The zones were as follows: Zone I, Single Family; Zone II, Multi-family; Zone III, Business-manufacturing; Zone IV, Unrestricted.

- **July 1, 1945.** According to Lloyd T. Keefe's, 1975, *History of Zoning in Portland, 1918-1959*, it wasn't until July 1, 1945 that any regulation of minimum lot sizes in residential zones were put into place. **A minimum of 5,000 sq ft** was established for one and two-family structures in Zone I and Zone I Special (?). No minimum lot sizes or densities were established for Zone II (apartments). According to Keefe: "In later years, in the early 1950's, when Bridle Mile was annexed to the City, minimum lot sizes in that area were raised to 10,000 sq. ft., and in other annexed areas in the Southwest to 7,000 sq. ft. as residential property owners were adamant against lot sizes as small as 5,000 sq. ft. in the neighborhoods" (Keefe, 1975, p. 10).

- **1959 Zoning Code**: Dealing with uncertainty, density, and corner lot development. Keefe (1975) suggests that the 1924 code left too many situations open to doubt creating, among other things, "poor public relations" and discrepancies that made the code legally vulnerable. In his words:

  Amendments had not kept up with changes in the mode of property development, transportation and the urban way of life. There were too many types of industrial processes, social institutions, entertainment facilities which were not mentioned as being permitted in any zone. These omissions caused difficulties in administration, impeded development, and created poor public relations. There were discrepancies that made the code vulnerable legally. The State enabling act on city planning and the Portland Zoning Code were in conflict, and there was certainly reasonable doubt that the local option procedure was constitutional.

  According to Keefe, "**population density control**" in both single-family and apartment zones were instituted for the first time in a new 1959 zoning code. Four single-family residential zones "reflecting the varying lots sizes in different sections of the City" were created (Keefe, 1975, p.17).

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It was determined that too much land had been zoned for apartments throughout the city. Large areas that had been zoned for apartments were downzoned in 1959 to reflect the single-family residential character that had developed – a major consequence of the 1959 code.

Other interesting observations, included in Keefe's discussion of the 1959 code, relate to apartments. Commenting on the quality of apartments, he notes that while there were some good examples in the city, they were more often are unsatisfactory:

But for the most part, apartments which are being built are both disappointing and destructive of the single-family environment into which they are intruding. Areas zoned A2.5 and A1 are still basically single-family in appearance with green open space surrounding buildings. Unfortunately, most of the new apartments can only be described as "barracks in asphalt."…These intrusions of a drastically different standard of development and maintenance are destroying the character of the single-family areas in the City and are giving apartments a bad name. (Keefe, 1975, p. 55)

The remedies that Keefe suggests include: minimum site sizes of 10,000 sq ft for the A2.5 zone and 15,000 sq ft for the A1 zone; maximum lot coverage, "The area covered by all buildings, including accessory buildings and space allocated to parking and driveways thereto shall not exceed 40% of the lot area" (Keefe, 1975, p. 56); a recommendation to move parking to the rear of these sites; a density regulation related to the number of bedrooms rather than dwelling unit; and a recommendation that planning staff execute detailed **architectural and site studies of various sized projects to test out the application of his density and coverage proposals**:

The guiding approach of these studies should be to develop design which do not exceed the minimum regulations. This is the attitude that the ordinary developer takes. The minimum standards specified in the Code become the normal of development. Practically no apartment project has been built in Portland since the 1959 Code was enacted which provides fewer dwelling units than is permitted by the Code. (Keefe, 1975, p. 57)

Furthermore, he states:

Despite various dimensional regulations, experience shows that they in themselves are not guarantee of a well-designed nicely appearing apartment…. The experience of our suburban neighbors is the same, and some of them have started the design review process for all apartment buildings. The process is demonstrating improvement in the appearance of buildings. (Keefe, 1975, p. 58)

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Keefe also contends that there had been a proliferation of A2.5 spot zoning in the single-family zone that needed to be addressed. He suggests that this was happening in areas where the housing was old, some poorly maintained, and where some nonconforming apartments were present. The solution that he proposes is not to consolidate these areas into blocks of A2.5 zoning but to permit the construction of duplexes as a conditional use in R5 zones. The minimum lot size for a duplex, he suggests, should be 7,500 sq ft.

As the condition, the surrounding neighborhood would be notified, detailed plans would be reviewed for appearance and size of units, "in effect, the design review process brought to bear" (Keefe, 1975, p. 58).

- **To 1980**. Historically, several plats at various times and places in the city, were created that had, as their foundational element, the 25' x 100' lot. These nested into predictable block sizes and enabled developers to sell off a system of tax lot sizes with increments of 25' of street frontage (50' x 100,' 75' x 100,' and 100' x 100'). Nearly all houses that were constructed in such subdivisions were built on 50' x 100' lots or larger. Development on these 25' x 100' lots was extremely rare.

- **1980 Comprehensive Plan**. According to BPS staff document "History of Narrow Lot Houses," residential construction on 25' x 100' lots was "technically legal" until 1981 when the new zoning code required a minimum lot size of 5,000 square feet in the R5 zone. This, however, appears to be contrary to Keefe's account that states that a minimum lot size, of 5,000 sq. ft. in the residential zones (not including apartments) was enacted in 1945.

  Nevertheless, minimum lot sizes were established in the residential zones as a result of the 1980 Comprehensive Plan. The minimum lot size in the R5 zone was 5,000 sq ft with 50 feet of street frontage (BPS staff document "History of Narrow Lot Houses").

- **1990 Zoning Code Amendments (Nov. 7, 1990, City Ordinance #163608)**. The documents related to this ordinance indicate that minimum lots sizes that were adopted as a result of the 1980 Comprehensive Plan would stay in place. Therefore, in the R5 zone, the minimum lot size remained 5,000 sq ft, with a minimum lot width of 50 ft and a minimum lot depth of 80 ft. The maximum density in the R5 zone was stated as 8.7 units per acre which is equivalent to one house per 5,007 sq ft.

  The ordinance document includes commentary about both the density requirements and lot sizes in the residential zones. About density:

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A. ***Purpose***. *Density standards serve several purposes. <u>They match housing density with the availability of public services and with the carrying capacity of the land*.</u> For example, more housing can be allowed on flat areas than on steep, slide-prone lands. At the same time, the density standards promote development opportunities for housing and promote urban densities in less developed areas. The density regulations are a tool to judge equivalent density when comparting standard and nonstandard land divisions (such as PUDs).*

B. ***Maximum density***. *The maximum density allowed in each zone is stated in Table 110-3. The maximum density may be increased if allowed in **33.110.240**, Alternative Development Options.*

Table 110-3
Development Standards In Single-Dwelling Zones [1]

Standard	RF	R20	R10	R7	R5	R2.5 detached	R2.5 attached
Maximum Density (See 33.110.205)	0.5 units per acre [2]	2.2 units per acre [2]	4.4 units per acre [2]	6.2 units per acre [2]	8.7 units per acre [2]	8.7 units per acre [2]	17.4 units per acre [2]
Minimum Lot Size							
- Min. lot area	2 acres	20,000 sq. ft.	10,000 sq. ft.	7,000 sq. ft.	5,000 sq. ft.	5,000 sq. ft.	1,600 sq. ft. [3]
- Min. lot width	100 ft.	80 ft.	70 ft.	60 ft.	50 ft.	50 ft.	16 ft.
- Min. lot depth (See 33.110.210)	150 ft.	120 ft.	100 ft.	90 ft.	80 ft.	80 ft.	40 ft
Maximum Height (See 33.110.215)	30 ft. [4]	30 ft. [4]	30 ft. [4]	30 ft. [4]	30 ft. [4]	35 ft.	35 ft.
Minimum Setbacks							
- Front building setback	20 ft.	20 ft.	20 ft.	10 ft.	10 ft.	10 ft.	10 ft.
- Side building setback	10 ft.	10 ft.	10 ft.	5 ft.	5 ft.	5 ft.	5 ft.[5]
- Rear building setback	10 ft.	10 ft.	10 ft.	5 ft.	5 ft.	5 ft.	5 ft.
- Garage entrance setback [6] (See 33.110.220)	20 ft.	20 ft.	20 ft.	20 ft.	20 ft.	20 ft.	20 ft.
Maximum Building Coverage (See 33.110.225)	10% of site area	25% of site area	30% of site area	35% of site area	45% of site area	45% of site area	50% of site area [7]
Required Outdoor Area							
- Minimum area	none	none	none	none	250 sq.ft.	250 sq.ft.	200 sq. ft.
- Minimum dimension [8] (See 33.110.235)	none	none	none	none	12 ft. x 12 ft.	12 ft. x 12 ft.	10 ft. x 10 ft.

Notes:
[1] These standards may be superceded by the regulations of an overlay zone or plan district.
[2] Does not include area devoted to streets.
[3] Average lot size for attached unit development must be at least 2,500 sq.ft. per lot.
[4] Also subject to the solar access regulations. In case of conflict, the most restrictive applies.
[5] Applies only to the perimeter of the attached unit development. See 33.110.240 C. for more information.
[6] The walls of the garage structure are subject to the applicable front, side, or rear building setbacks.
[7] Applies to the entire attached housing project. The maximum building coverage for an individual lot is 60%.
[8] The shape of the outdoor area must be such that a square of the stated dimension will fit entirely in the outdoor area.

Section 33.110.240, cited above, (City Archives document Ordinance 163608 BA), Alternative Development Options relate to the following:

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A. Purpose. The alternative development options allow for variety in development standards while maintaining the overall character of a single-dwelling neighborhood. These options have several public benefits:*

- *The allow for development which is more sensitive to the environment, especially in hilly areas and areas with water features and natural drainageways;*
- *They allow for the preservation of open and natural areas;*
- *They promote better site layout and opportunities for private recreational areas;*
- *They promote opportunities for affordable housing*; and*
- *They promote energy-efficient development.*

This section appears to deal with attached housing. The commentary indicates that the attached housing option in the R20 through R5 zones would be the same as the existing code; the changes pertain to the R2.5 zone. The lot size comments state that for the most part the existing standards would stand but there would be changes to the R2.5 zone.

Where the real change occurred was in section **33.291.020, Substandard Lot Types**. The commentary section of the document first discusses substandard lot types:

The Type A substandard lot dimensions are those from the present code except that the R5 and R2.5 zones do not have to meet the lot dimension requirements. Lots above these sizes are allowed to be developed by right. The new feature is that after July 26, 1979, the lot has to have been legally created in conformance with its zoning at the time. This date is used because Multnomah County uses this date, so it is easy to keep records from this point onward. Lots recorded before the cutoff date will not be checked to see if they were legally created.*

From the facing code page in the document:

33.291.010 Purpose
The substandard residential lot regulations allow infill housing on existing lots which do not meet the minimum lot size requirements of the current zone, while maintaining compatibility with the neighborhood. The regulations are intended to allow for a reasonable use of the land, but not to legitimize parcels which were divided after subdivision and partitioning regulations were established*, and which did not comply with the jurisdiction's regulations.*

It is notable that the language here stresses the compatibility with the neighborhood, talks about "a reasonable use of land," and not intended to legitimize lots that were later

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subdivided at substandard levels. This language does not suggest a widespread use of the development of substandard lots in the residential zones larger than R2.5.

However, substandard lots in the R5 zone are considered Type A (33.291.030) lots and only need to meet three criteria and no dimensional criteria:

1. *A lot of record as of July 26, 1979, are a lot of record created after July 26, 1979, which complied with the zoning regulations when recorded; and*
2. *Which is currently vacant*; and*
3. *Which does not meet one or more of the dimensional requirements for new lots in the zone;*

"Vacant" lots are not defined in the sense that how they become vacant is not considered. The two issues that are key here are the operative term **"vacant"** and a sense from the apparent intent of the language that planners may not have had good sense of how many lots of record, that predate July 26, 1979, existed in the city or their uneven geographic distribution in relationship to services and transportation.

The commentary that relates to 33.291.030 states the following:

The change to the present regulations is that a lot created illegally after July 26, 1979 may not be developed with a house. If we allow development, we are condoning the illegal land divisions and undermining our code. If someone buys one of these lots and then finds out that it cannot be developed, it is not the responsibility of the City to provide relief. It is the responsibility of the seller to make things right.*

This comment suggests that the development of what were considered substandard lots by the code was not a development type that the City was encouraging – rather it was accepting it as an unusual practice given the predominant historical **practice of development** which was one house per two 25'x100' lots or one house per 5,000 sq ft.

Why the change was made to allow underlying lots of record (created prior to July 26, 1979) to be developed, and the politics behind this change aren't entirely clear. But the article "Portland, Oregon: Living Smart Program" hosted on HUD's website) suggests that developers responded to it by developing single-family houses on these now available "skinny lots" because of a growing demand for housing and the scarcity of land "suitable" for development. It is likely that there was developer pressure involved and an investigation of what interests were represented on the various advisory groups will be important to answering this question.

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- **1991 Zoning Code.** The 1991 zoning code document that is available on BPS's website has been updated so that the original code language is no longer included; the City Archive has original documents for Ordinance #163608, dated in Nov. 7, 1990. It is likely that the code changes that were contained in Ordinance 3163608, were those that went into effect on Jan. 1, 1991 and are referred to in "History of Narrow Lot Houses."

- The result of these code changes was the **demolition of a significant number of single-family houses** that were originally built on these historically 25'x100' platted areas. While the few houses that were built on 25' x 100' lots prior to this period suggest a **one-story tiny house approach** (see examples below), in order to accommodate 1990s' market expectations for square footage and the accommodation of the automobile, the dimensions of these sites dictated building designs ("**skinny houses**") that tended to be dominated by garages, were much taller than the surrounding residences, were closer to the neighboring houses on three sides, and stretched far back into backyard spaces. The resulting houses were overwhelmingly seen by neighborhood residents as completely incompatible and insensitive to the existing neighborhood character.

  Historical examples of "tiny houses" built on 25'x100' lots:

5305 SE Flavel St (center), built in 1924.

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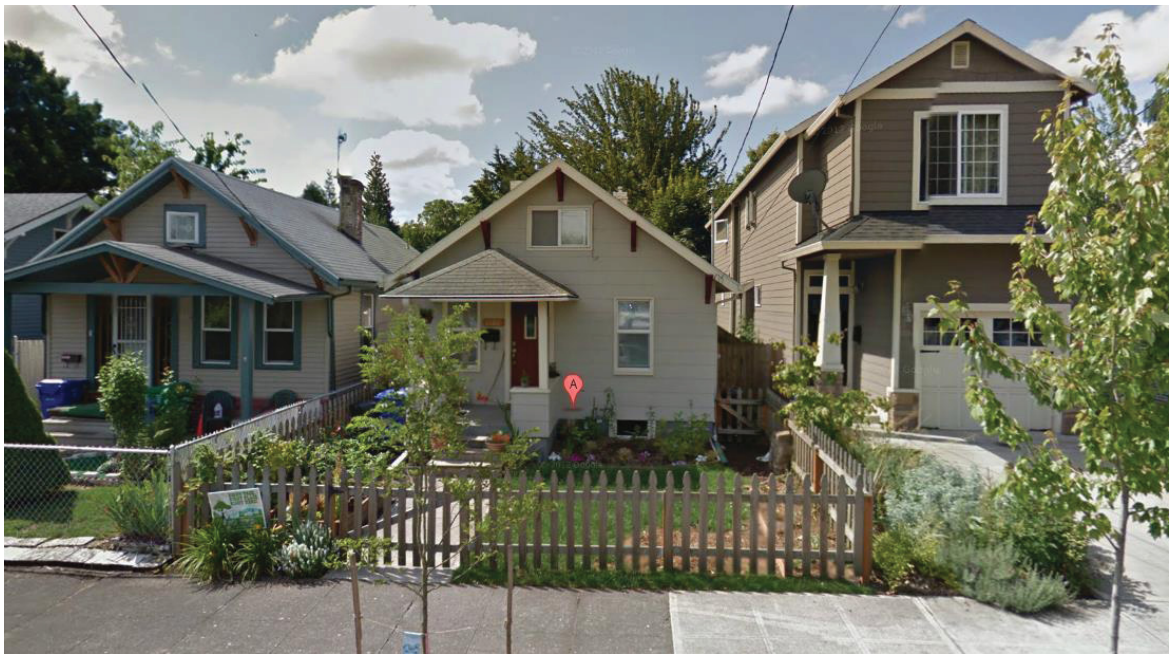

1102 N. Winchell St. (center), built in 1910.

- **2002 Land Division Code**. The 2002 Land Division Code rewrite project document indicates that duplexes are permitted on corner lots in all of the City's residential zones. This type of exception to the established residential zone densities probably came much earlier. Corner lot "spot zoning" is even mentioned as early as 1959. But it is probably also safe to say that most property owners in the R5 and R7 zones had no idea until this period that this was the case. This needs to be looked into further.

- **June 4, 2003**. The Portland Planning Commission delivered a letter (signed by Planning Commission president, Ethan Seltzer) to Mayor Katz and City Commissioners regarding the 2002-03 Regulatory Improvement Workplan: Policy Package 1 (ORD. #177971). This letter is striking in many respects, given its relevance for today, but it also clearly states that the changes that went into effect in 1991, violated the intent of the 1980 Comprehensive Plan, and that the City was running the risk of being in violation of state law. Some quotes:

  "*The majority of the elements of Policy Package 1 are, without question, improvements to the Zoning Code. They increase clarity, simplify approaches, and better implement the Comprehensive Plan. There are several items that we received a great deal of testimony on and led to much discussion on our part, that we'd like to focus on in this letter."*

  ***"**Lot Validations and Lot Segregations. This is the issue we received the most testimony on, and spent the most time deliberating. After much discussion, our unanimous vote was to*

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recommend significantly reorganizing and simplifying this section of the Code. Our recommendation, if adopted by Council, would replace the 'Validation of Lots' section of the existing code with a new section called 'Where Primary Structures are Allowed'.

We are recommending this change to provide greater consistency in the way we treat lots and sites throughout the City. It will establish the same minimum lot sizes for both existing lots and those being newly created through land divisions. As part of this change, minimum lot sizes will be added for existing lots in the R5 and R2.5 zones. This specific change is needed to bring the Zoning Code into compliance with the City's Comprehensive Plan.

The Comprehensive Plan's High Density Single Dwelling designation, which the R5 zone is intended to implement, is meant to 'continue Portland's most common pattern of development.' The maximum density is generally 8.7 units per acre [this is the equivalent of 5,007 sq ft per dwelling unit]. The existing code, by having no minimum lot size for existing lots in the R5 zone, allows for twice the density (or greater) in areas that the City has determined should be developed at the R5 density, but which have an underlying historic platting pattern that might date from the early 1900s.

Historically, many areas (primarily in North, NE, and SE Portland) were platted with 25 x 100 foot lots. The lots were typically sold in combinations of two, three, or four contiguous lots, and developed with one house per ownership, creating the common pattern of development cited in the Comprehensive Plan. Most of these areas with this underlying platting pattern are currently zoned R5, an appropriate zone given the existing development pattern, the desired character of these neighborhoods, proximity to services, etc. Other areas (both with and without this historic platting), have been zoned R2.5 or higher through legislative planning projects because of their closer proximity to transit and appropriate infrastructure, the existing development pattern, and greater proximity to commercial centers and services. These are areas the City has determined can appropriately accommodate higher density housing.

When the existing regulations were adopted in 1991, no minimum lot size was established for substandard lots in the R5 and R2.5 zones. At the time, allowing such development was expected to have minimal impact on neighborhoods because most sites with underlying 25' x 100' platting were already developed in ways that meet the current code (e.g. one house per 5000 square feet). For the few vacant lots or the occasional side yard that could be segregated, it didn't seem necessary to establish a minimum that could unnecessarily preclude these smaller, existing, stand-alone lots from developing. In 1991, we did not expect that it would be financially viable to demolish an existing house straddling two historic lots in order to build two "skinny houses" in its place. This expectation proved to be correct for most of the 90s. However several areas of the City are now experiencing a "demolition phenomenon" not anticipated in 1991. We have discovered that the Zoning Code, because of changing market forces, no longer is implementing our Comprehensive Plan in the R5 zone.

As you know, the Comprehensive Plan is the City's overarching approach to planning, and the Zoning Code must--by state law--implement the Comprehensive Plan. Our

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recommendation does just that by re-establishing a minimum lot size of 3,000 square feet for existing lots in the R5 zone. We recommend "grandfathering" in existing lots that already have separate tax accounts, or that are 'in the pipeline' as of the effective date of this regulation.

We have asked staff to provide you with a full presentation on this issue at your hearing. The Planning Commission found that pictures, maps, and animated, real-life illustrations were very useful in helping us understand this complicated issue and the many options that will still be available for development on affected sites.

We also heard significant concerns about the design of houses being built on these narrow lots. Most of the houses built on these lots are only 15 feet wide, which presents significant limitations to the designers; because of these constraints, the houses are often disproportionately tall (although within maximums allowed), and the garage is the dominant street-facing element. The Infill Design Project will address many of these issues, but we are concerned that if we wait until that project is completed, too many opportunities may be lost. Although our recommendation would stop future lot segregations, there are several hundred of these lots that could still be developed.

We asked Planning staff to develop some interim design standards for development on these lots, to be used until the more comprehensive Infill Design Project is completed. Given the design concerns, the limited scope of this project, and limited Planning Bureau resources, we asked staff to use some of the standards that are currently in the Zoning Code, although they may not currently apply to development on these lots. We strongly urge you to adopt these interim design standards; they do not address all of the design concerns, and they do not provide the ideal solutions, but they will suffice until better standards are adopted.

We are concerned about a potential rush of applications for lot segregations and the detrimental effect these will have on the neighborhoods in which they are located, especially if the interim design standards are not implemented soon. The Council should consider applying an emergency clause to the Ordinance to allow for an earlier effective date for the new 'Where Primary Structures are Allowed' section of the Recommended Code. We heard a great deal of urgency in testimony and hope that the Council chooses to quickly address this issue.

We are recommending this change to provide greater consistency in the way we treat lots and sites throughout the City. It will establish the same minimum lot sizes for both existing lots and those being newly created through land divisions. As part of this change, minimum lot sizes will be added for existing lots in the R5 and R2.5 zones. This specific change is needed to bring the Zoning Code into compliance with the City's Comprehensive Plan."

The Planning Commission's recommendation to establish a minimum lot size of 3,000 sq ft in 25'x100' plats essentially would have eliminated the 25'x100' development because the typical 50 x 100 lots with underlying lot lines weren't large enough to create two 3,000 sq ft

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lots. This request did not anticipate, however, the ramifications for the potential splitting of lots that are 6,000 sq ft, but less than 10,000 sq ft, that also had underlying lots (which is true in many parts of the city that are zoned R5, such as Eastmoreland). In these cases, the resulting densities would be 3,000 sq ft and not 5,000 sq ft.

- **July 2003**. Demolition and skinny house construction was especially intense in **Roseway** and other northeast neighborhoods. In July, 2003, City Council established some design guidelines for "existing narrow lots" ("History of Narrow Lot Houses").

- **August 2003**. The Planning Commission (responding to neighborhood concerns and based on their own analysis) recommended that the City establish a minimum lot size of 3,000 sq ft (see Seltzer's letter above). The City Council, under the leadership of Commissioner **Randy Leonard**, rejected the recommendation [on a 3 to 2 vote] to establish minimum lot sizes of 3,000 square feet for "existing lots" in the R5 zones ("History of Narrow Houses"). This meant that development of houses on 25'x100' lots in the R5 zone was still permitted.

  This amendment package was then appealed to the Land Use Board of Appeals (LUBA) by several neighborhood groups including the Roseway neighborhood. Note: the "History of Narrow Houses" cites *Policy Package 1* here – *Policy Package 1* was never released to the public and was instead incorporated into other documents in 2002 and 2003.

- **Sept. 2003**. City Council directed the City Attorney to withdraw the appealed amendment package for reconsideration. [LUBA records indicate the appeal but no decision appears to have been rendered. This must have been a result of the City withdrawing the amendment.] Instead, it passed a resolution that directed the Bureau of Planning to develop a compromise proposal that would prevent the demolition of houses, "to promote affordable housing, ensure design compatibility, and allow detached houses on small lots in multi-family zones" ("History of Narrow Lot Houses").

- **Oct. 2003**. Quote from the Roseway Neighborhood Association Newsletter:

  Just like the stock market, the lot segregation issue has had many ups and downs. Last winter, Roseway residents noticed our R5 zoned lots being split into two (or more) 25 x 100 lots and then developed with tall skinny houses. Residents went to the Planning Commission and they unanimously recommended that City Council re-establish a minimum lot size in the R5 zones. City Council rejected the Planning Commission's proposal by a 3 to 2 vote. The demolition of viable larger homes and splitting of lots continued.

  Roseway residents learned they were not alone in this dilemma. Understanding that a city wide group had more strength and credibility, the group Friends of Neighborhood Zoning

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(FONZ) was born. Complete with its own web site, this city wide group continued the fight. Three neighborhood associations and a few individuals appealed City Council's decision to the Land Use Board of Appeals (LUBA). This act communicated to City Council that this issue was not going away! - by Tracy Ballew, RNA Board Member

- **Nov. 2003**. Regulations were adopted that acted to "deter" the demolition of houses on "platted narrow lots" by establishing minimum lot sizes for development on existing lots, including a 3,000 square foot minimum in the R5 zone (*Policy Package 1B*). ("History of Narrow Lot Houses")

- **Dec. 2003**. An exception to the minimum lot size was established that waived the minimum lot size standard (of 3,000 square feet) to allow for development on existing "vacant" lots. "Vacant" is defined as "not had a dwelling on it since Sept. 10, 2003, or for at least five years" ("History of Narrow Lot Houses").

- **2004**: "Living Smart: Big Ideas for Small Lots" design competition was held with international participation.

- **2006**. Ordinance 179994: "Living Smart: Big ideas for small lots" Code Amendments. Some notable quotes from the Code Amendments document:

  "*In the last ten years, the City of Portland has witnessed tremendous growth in the popularity of affordable houses built on small infill lots.* In a number of neighborhoods, where development has typically occurred on 5,000 square foot lots, the underlying history of plat and zoning regulations have allowed infill development on 25-foot-wide by 100-foot-deep parcels. These narrow houses have become important in meeting the City's need for "entry-level" or "starter" houses."**

  "*In 2003, after careful consideration* of public concerns about design and density,* and the need and market demand* for these houses, City Council decided to continue allowing narrow lot, infill development, while restricting development to currently vacant lots.**"

  "*To help address the concerns about the design of these narrow houses, Commissioner Randy Leonard directed the Bureaus of Development Services to initiate a design competition ...*"

  "*There were two goals for this competition… One was to create an idea book… The second and more important goal was to help shape development in Portland.**"

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"*Wildly creative designs were tempered by the need to produce realistically buildable designs that would be appropriate for Portland neighborhoods.* In order to balance these two needs, five submission categories were created with varying height, access, and setback requirements; garages were not always required."*

Additionally, the Living Smart ordinance includes comments on how it enhances state, regional, and City goals. Metro's Regional Growth Management Function Plan, Title 7 which "ensures opportunities for affordable housing at all income levels" and "calls for a choice in housing types," the ordinance states that its amendments are consistent with the title because "they facilitate the development of architecturally-designed houses on narrow lots" (p. 65).

In terms of Portland's own Comprehensive Plan goals, under "Urban Development" the document contends that the amendments support the policy "because they reduce regulatory barriers* to permit-ready house designs on narrow lots and provide opportunities for well-designed houses* that contribute to the diversity of character of Portland's established residential neighborhoods"* (p. 65).

Under Policy 2.9, Residential Neighborhoods, the ordinance states that the amendments support this policy by "facilitating the development of well-designed houses that contribute to the character of neighborhoods"* (p. 65).

Under Policy 2.19, Infill and Redevelopment, the ordinance states that the amendments support the policy "by reducing regulatory barriers to development of permit-ready houses on small infill sites and by facilitating a greater diversity of housing design"* (p. 65).

- **2007**. Land Division Code Monitoring, Planning Commission Briefing Report, Observations after Five Years of Implementing the 2002 Land Division Code. This report indicated that most of the land divisions and partitions were occurring in the R5 zone and that the largest number of these were in the 2-3 lot category. Furthermore, while 35% of these were between 4,001 and 5,000 sq ft in size, about the same percentage were to create lots that were less than 4,000 sq ft. The report also identified a number of narrow house design issues. Some quotes from the report:

  "Most land divisions are occurring in single dwelling zones, with activity particularly concentrated in the R5 zone. The most common kind of land division is a two-lot partition in the R5 zone."

  [Note: Pie chart indicates that between July 2002 and Dec. 2006, 75% of the lot divisions occurred in the Residential Single Dwelling zones].

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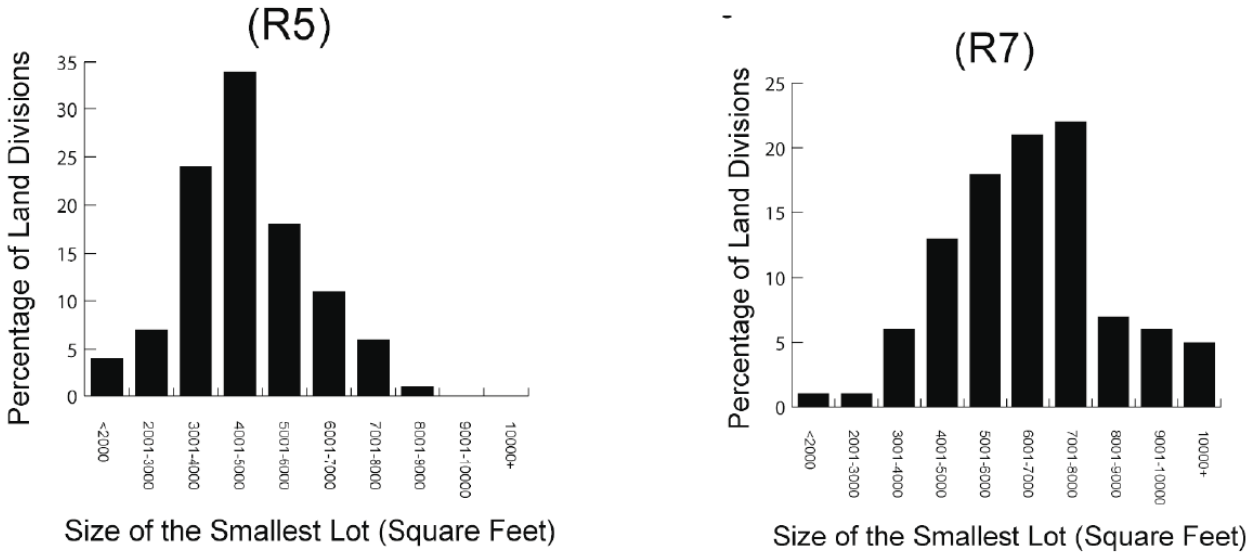
[Note: Figure 10 indicates a total of 386 land divisions occurred in the R5 zone during this period, 81 were subdivisions, and 305 were partitions.]

[Note: Figure 12 indicates that by far the largest number of lots proposed per land division were in the 2-3 lot category (689). The next largest number was 176 in the 4-10 lot category.]

Figure 16 - How Small was the Smallest Lot?



Narrow Lot Design Issues: *"Issue: Narrow lot regulations need refinement in the single dwelling zones." This report identified a number of loopholes that developers were using in skinny house development that particularly pertained to the sizes of garages.*

Solar Access issues. "Issue: Solar access regulations are not having meaningful impact."

Rear Yards. "Issue: Minimum setback standards for rear yards (as little as five feet) are inadequate."

- **2008?** "Portland, Oregon: Living Smart Program" assessment, (http://www.huduser.org/portal/casestudies/study_101711_1.html) This appears to be primarily a promotional piece for the narrow house experience in Portland. However the article points out that the "living smart" designs that had been built, were not affordable.

  Under "Opportunities for the Future," *"The resulting demand for housing will escalate developmental pressures on existing infill lots. With the Living Smart Program, the city is poised to promote residential infill development well into the future. Adding design prototypes to the program that are more affordable* [note: "Living Smart" designs, according to this article sold [between 2006 and 2008?] for between $290,000 and $400,000 – hardly

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affordable during that period] *to build will boost the city's goal of developing more small houses to meet the need for entry-level housing."*

- **July 2008. "Lot Confirmation/Property Line Adjustment Taskforce** Draft White Paper."

- **2011**. Lot splitting on historic lots of record for **monster houses** begins in earnest. As Portland emerges out of the recession, and as central eastside neighborhoods are seen as highly desirable places to live, development pressure in these areas increased dramatically. For the first time, there began to be significant suburban single-family housing developer presence in these neighborhoods. This is not just because of the increased interest among home buyers in these neighborhoods but also because the zoning code incentivizes lot splitting where historical lots of record (established prior to 1979) occur with lower fees. Developers have stated that this is the case and that it is less expensive and more profitable to develop in established Portland neighborhoods (especially when they can employ substandard lots of record) than greenfield development.

  Demolitions of smaller, more affordable houses have also been encouraged by a demolition definition that interprets the removal an entire structures (so long as basements and a small piece of a wall remain) as renovations where fees are much lower than for "demolitions" and "new" construction.

  The notion of substandard lot development as an affordable housing strategy is challenged by the recent development on these lots. Furthermore, lot splitting appears to have dramatically increased the value of land – further reducing housing affordability.

  Some examples:

  In Eastmoreland, 6745 SE 36th, was purchased by Portland Development Company to split the 7,200 sq ft lot and build two mega houses. This was a case (that is typical in Eastmoreland) where an underlying lots of record split the tax lot into two areas larger than 25'x100' but smaller than 50'x100.' Neighbors learned for the first time that smaller than 50'x100' lots could be created in the R5 zone. Under pressure from neighboring property owners (who threatened to blanket the neighborhood with negative signs about the developer and mentioned that a US Senator lived next door), the builder agreed to build one very large house instead. He claimed he would lose money. Having paid $535,000 for the 7,200 sq ft lot (and original house), the developer sold the over 5,000 sq ft house, in 2012, for $952,500.

  That same year, the Portland Development Company purchased 3723 SE Malden St (a modest, single-story house on the 7,500 sq ft lot) for $286,700. This site is located in the Berkeley Addition which was platted with 25'x100' lots. Portland Development Company tore down the house and created two lots, instead of three, which allowed the developer to bypass with the City's demolition prohibition for lots of 25'x100'. These two lots, however, (one is 3,900 sq ft and the other is 3,600 sq ft) were completely out of keeping with the other lots on the street which are either 50'x100' or 75'x100,'and is characterized by one-story ranch-style houses.

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Unlike the skinny houses that had been developed on some lots in the Berkeley Addition (especially before 2003), Portland Development Company built two large and exceedingly tall houses on these sites. The house on 3723 SE Malden (the 3,900 sq ft lot) is 2,786 sq ft, not including an 840 sq ft unfinished attic, an above grade 906 sq ft unfinished basement, and built-in 494 sq ft garage. This house sold, in 2013, for $540,000. The house at 3731 SE Malden is 2,703 sq ft, not including an above grade 962 sq ft basement and a built-in 468 sq ft garage. It also sold in 2013 for $540,000. The two properties together brought $1,080,000.

The Multnomah County assessed value for the 7,500 sq ft lot (land only) in 2011 was $129,000. The assessed value for the 3,900 sq ft lot (land only) at 3723 SE Malden in 2013 was $169,500; and the assessed value for the 3,600 sq ft lot (land only) at 3731 SE Malden in 2013 was the same, $169,500. The total assessed value for the two lots in 2013 (land only) was $339,000.

- **2012**. On the same street, Renaissance Homes bought another 75'x100' lot at 3659 SE Malden for $347,000. Renaissance did a similar 3,900 sq ft and 3,600 sq ft lot split to built two houses (one 2,743 sq ft house which sold for $559,900 in 2013, and another 2,565 sq ft house that sold in 2013 for $572,130) for a total sale price of $1,132,030.

  The assessed value for the original 7,500 sq ft lot (land only) in 2011 was $129,500. The assessed value in 2013 for the 3,900 sq ft lot (land only) at 3659 SE Malden was $134,500. And the assessed value in 2013 for the 3,600 sq ft lot (land only) at 3647 SE Malden was $134,810, for a total assessed value of $269,310.

  It is clear that in spite of the arguments that narrow lot development will bring affordable housing to the market, not only are affordable units being demolished but the current development activity is actually raising the price of land perhaps much faster than would be the case if the lots hadn't been subdivided in the first place.

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