



Home Builders Association  
of Metropolitan Portland

April 26, 2022

Ted Wheeler, Mayor  
Portland City Council  
1221 SW 4th Ave, Room 340  
Portland, OR 97204

*By E-mail*

**Re: Residential Infill Project 2.0  
(Agenda Item 338, Wednesday April 27, 2022)**

Dear Mayor Wheeler,

The Home Builders Association of Metropolitan Portland (the “HBA”) represents over 1400 businesses and tens of thousands of women and men who work in the residential building and remodeling industries throughout the greater Portland area. We are dedicated to maximizing housing choices for all who reside in the region while promoting housing access and availability for everyone.

First, thank you and the council for your continuing work on RIP through RIP2. RIP and the city initiatives that preceded it served as a model and catalyst for the statewide middle housing legislation that was not only the first in the nation, but a framework which other cities and states are emulating to address the housing crisis affecting our nation.

The City of Portland (the “City”) is gripped in a housing affordability crisis. Recent reports from ECONorthwest clearly demonstrate the nexus between the underproduction of new homes, rising housing costs, and increases in those experiencing homelessness. Importantly, the Residential Infill Project (“RIP”) will help support the creation of new, diverse housing types that will serve those on all rungs of the economic ladder.

According to the August 2020 Oregon Regional Housing Needs Analysis Technical Report, prepared by ECONorthwest for Oregon Housing and Community Services, by 2040 Portland will require an additional 133,732 units, of those 25,793 can be attributed to current underproduction. With a need for almost 6,700 units a year, it is imperative that the city make more land developable for more units while also making the processes more efficient, predictable and ultimately offering opportunities that are economically viable.

To this end, we support the stated goals and direction of RIP2, namely prioritizing compliance with HB 2001 and SB458 by the state’s deadline of June 30, 2022 which includes updating R10-R20 codes to comply with HB 2001, but would also suggest some additional changes to realize the housing production needed to address the current shortage and increased demand over the next 20 years.

Although, not contained in the staff or Planning Commission recommendations, we recommend allowing detached “plexes” through the middle housing continuum, rather than just for duplexes. As with all things in

residential construction, the more options to develop a lot, the more likely it will convert and this holds true with middle housing as well. Allowing detached plexes, gives builders the ability to maximize development choices on individual lots which in turn makes them more economically viable and possibly more likely to develop with more middle housing units. For example, in some jurisdictions, builders specifically avoid lots with any large trees centrally located because the cost they add to the project makes them too risky or uneconomic or if they plan to develop it, they choose to develop a large, higher priced single-family unit that can absorb the cost for removing the tree. However, if they were allowed to develop three or four detached units on the lot while leaving the tree in place, the lot which they previously passed up may now be viable option for the market and at a lower price per unit than originally envisioned.

Just as detached plexes and the flexibility it creates will make it more likely that lots will develop and with more units, allowing for lot coverage based on pre-dedication lot sizes does as well. As the number and type of lots becomes more constrained, the viability of those lots for development, especially multiple units, does as well. Lots that may qualify for a quadplex originally, may, after dedication, only qualify for a triplex or less. Not only does this potentially forego one or more units on a lot, it can also be the difference between middle housing units or just one single family unit, at a higher price point, being built due to simple market economics.

There is already an example where this concern is manifest, lots abutting un- and under-developed alleyways. Under PBOT policy, these will have to be improved to wider alleyways, with required right of way dedication, where they are currently undeveloped and feasibly only viable as one-way alleys. This would require substantial dedication attached to lots on both sides of the alley and without a pre-dedication coverage calculation, significantly diminish the developable lot size for these parcels, ultimately putting in jeopardy middle housing development on these lots.

In addition to these concerns and suggestions surrounding the implementation of HB2001, we would like to highlight to issues pertinent to SB 458 and expedited land division for fee simple middle housing ownership.

First, SB 458 clearly requires that townhouses be eligible for middle housing expedited land divisions, in addition to duplexes, triplexes, four-plexes and cottage clusters. There is no exemption in state law for cities that already have their own process for townhouses, or “attached homes” as Portland defines them. The current, traditional, land division process for these units in Portland is not afforded the protections, timeline efficiencies or appeal limitations guaranteed *all* middle housing, as defined by HB 2001 to include townhouses, and as such, needs to be updated through this ordinance.

Second, due to lot densities and the lot coverage required to produce middle housing combined with smaller and more constrained developable lots, shared stormwater and private sewer laterals are necessary to see increased development of these housing types. Without some sharing of stormwater facilities, it may be unfeasible to build these homes due to availability of stormwater facility space. And, allowing for a shared private sewer lateral with a single connection to the main within an easement, with each middle housing unit tapping into the shared lateral, avoids the expense (and lack of street frontage) that would be associated with individual laterals/connections for each unit.

HBA understands the intent of RIP2 is, ultimately, to update RIP to comply with the requirements of HB 2001 while also addressing the process needs to allow for fee simple ownership through an expedited land division process created by SB 458. However, we will continue to highlight additional changes needed to realize the full

potential of middle housing development in Portland and ask that if you are unable to find away to addressing our suggestions during the limited time left in the process, that they are taken under consideration and included in future staff work plans as directed by the council.

Over the past five years, HBA has served as an ally and RIP supporter and is heartened by the City's efforts to permit elegant density in our neighborhoods. We appreciate the City's efforts to bring RIP to fruition and the work currently being down through RIP2. It is good start to addressing the housing affordability and supply crisis the city faces, but more work is needed.

HBA continues to stand with those who work to facilitate new, diverse housing options across the City. Thank you for considering our recommendations and we look forward to continuing this effort well after this ordinance is adopted.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Ryan Makinster", with a long horizontal flourish extending to the right.

Ryan Makinster

Director of Policy and Government Affairs

Cc: Dan Ryan, Commissioner  
Jo Ann Hardesty, Commissioner  
Carmen Rubio, Commissioner  
Mingus Mapps, Commissioner