



June 7, 2021

Chair Smith
Clackamas County Board of Commissioners
2051 Kaen Rd.
Oregon City, OR 97045

Subject: Phase I Land Use Housing Strategies Project - June 15 Policy Session

Dear Chair Smith and Commissioners:

The Home Builders Association of Metropolitan Portland (“HBA”) represents over 850 companies and tens of thousands of women and men who work in the residential building and remodeling industries throughout the greater Portland area. We work to promote housing affordability and are dedicated to maximizing housing choice for all who reside in the region.

The Portland Metropolitan Association of Realtors® (“PMAR”) has more than 8,300 members who are committed to protecting and promoting equitable homeownership, establishing and maintaining high professional standards of practice and creating unity in the real estate profession.

Our associations strongly support continuing the technical work on the Clackamas County (“the County”) Phase I Land Use Housing Strategies Project (“Project”). The Project’s work is rooted in the County’s 2019 Regional Housing Needs Analysis (“HNA”) and 2018-2019 Housing Affordability and Homelessness Task Force policy recommendations. In December 2019, HBA and its Task Force colleagues presented pro-housing policy recommendations to the County Board and HBA has been engaged with the Project working group since its inception last year.

According to its HNA, the County faces a nearly 5,000 housing unit deficit in its urban unincorporated areas, including a deficit of land to accommodate 2,237 dwelling units in the high density residential plan designation. The HNA also states the key challenge for these areas over the next 20 years is ‘providing opportunities for development of relatively affordable housing of all types, from lower cost single-family housing to market-rate multifamily housing’¹. By encouraging more combined urban housing and commercial activity in commercial zones, the County can help close the gap for high density residential needs while maintaining a thriving commercial and retail sector.

Of the 8,175 dwelling units projected over the next two decades, the County expects 40% will need to be multifamily, including mixed use residential units. However, because most high density multifamily land is built out with only about nine unconstrained commercial or mixed use vacant acres remaining, the County lacks the appropriately zoned land with which to meet its expected multifamily housing need. While OAR 660-007 requires that Urban Unincorporated Clackamas County provide housing development opportunity at an overall average density of 8 dwelling units per net acre, the County’s actual land base is predominantly planned for low density, with an overall average density of

¹ ECONorthwest, Clackamas County Regional Housing Needs Analysis, September 2019. Prepared for Clackamas County.

5.7 dwelling units per net acre. This means that the current distribution of County land by zone does not meet Oregon's average net density requirements, and the County needs more opportunities for multifamily housing development in urban unincorporated areas.

One solution to meeting average net density requirements while preserving business opportunities is to incentivize more mixed use housing in the commercial zones. Because mixed use is already allowed in each of the commercial zones considered for increased density allowances (C-3, RT, OC, and CC), the land does not need to be re-zoned. Instead, the County can attract mixed use development by simply allowing more dwelling units in these zones. The developer is then able to project a higher volume of home sales and rents, causing projects to become financially feasible where otherwise the land would sit idle.

We support staff recommendations to increase the maximum density in the above-mentioned zones to 60 dwelling units per acre. Additionally, we support reducing parking requirements by .25 spaces per bedroom unit category. This nominal decrease in required parking directly allows for the production of more housing units, and acknowledges that tradeoffs must be continually examined in a society that requires and values both housing and vehicular parking.

Given the important role predictability plays in the development of housing, we also support the option for a fixed further parking reduction in exchange for guaranteed affordability, and recommend the addition of a 15% reduction for units affordable at 80% of the area's median family income (MFI).

Increasing the allowed affordability bonus from 8% to 50% is another important tool we support for encouraging affordable housing. In order to provide mixed-income housing opportunities, we recommend setting the affordability threshold at 80% MFI. Because households with 80% MFI are more likely to be able to afford a market rate condominium as compared to households at 60% MFI, setting a higher MFI threshold encourages a mix of both vertical homeownership and rental options in the same development project.

To facilitate affordability compliance, we recommend establishing a simple affordability verification mechanism through the Housing Authority, or other County housing-related department, allowing income-qualifying households to either purchase vertical housing units (condominiums), or rent at the affordability threshold.

The County has the opportunity to welcome new mixed use, mixed income projects by incentivizing higher residential densities in conjunction with important commercial activity. By continuing to work on parking requirements and meaningful affordable housing density bonuses, the County can make strides in achieving its urban unincorporated housing needs.

Sincerely,

Roseann Johnson
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Michele Gila
Director of Realtor® Advocacy, PMAR

Cc: Sonya Fischer, Commissioner
Paul Savas, Commissioner

Martha Schrader, Commissioner
Mark Shull, Commissioner