

Michael Mehaffy testimony for HB 2007  
May 25, 2017

Good morning, and thank you for the invitation; these are certainly serious issues before us today, as you've heard from my colleagues. I'm Michael Mehaffy, and I'm a consultant in sustainable urban development and currently a senior researcher at KTH University in Stockholm. I'm also a resident of Portland and president of the Goose Hollow neighborhood association, and I'm executive director of the Sustasis Foundation, an Oregon non-profit developing tools for sustainable urban development. I've also taught at the University of Oregon.

Over my career I have also served as a homebuilder, developer, planner, designer, and consultant, working on sustainable development policies for the City of Portland, for Metro, and for a number of other area governments. I've also worked on projects in North America, South America, and Europe, and most recently for the United Nations, on the challenges of rapid urbanization, affordability, equity, and cities for all.

I wanted to preface my remarks with this background, because I think what we face today is really a global challenge – the failure of many cities to work well for all their citizens, particularly as they grow rapidly. To meet this challenge, we will have to better understand what the great urbanist Jane Jacobs called “the kind of problem a city is,” and learn from our considerable mistakes of recent decades – especially our tendency to focus on top-down approaches, producing regrettable unintended consequences.

As Jacobs pointed out, urban diversity is not only a matter of justice – it's really a question of how well our cities actually perform as engines of sustainable economic and human development. The research shows that, to the extent that some populations are cut off from open access to the city and its benefits, the city will under-perform economically and socially, with impacts on prosperity, quality of life and health for all the residents.

In that respect, I applaud the motivation behind this legislation. At the same time, I think we have to ask very hard questions about what the actual outcomes will be from our approaches, and who will actually benefit. In that spirit, I'd like to share with you what I think are three significant lessons from an international perspective:

Lesson one is that real estate markets clearly do not follow a simple supply-demand-price formula. Building more supply does not always lower cost – not if the supply itself is more expensive than the existing supply, or if it serves to make the location more desirable relative to other places. Of course, we are not in an isolated, fixed housing market here in Oregon. There is a dynamic problem of “induced demand” – the more affordable we make our housing, the more we attract residents from the more expensive markets of California and elsewhere.

Of course, we do need to build to accommodate a growing population – but I think it is essential to do so in places and ways that build on, and do not destroy, the existing assets of our cities. There are indeed many diverse places within the Portland region and other Oregon cities, where “gentle densification” can and should occur. As we saw when I was working with Metro on development within its centers and corridors plan, there is a surprisingly large capacity in many existing infill sites, in parking lots, and other under-utilized places. The result can be popular mixed-use assets for the surrounding neighborhoods, as I think we showed at Orenco Station, where I was project manager. We do not need to destroy our livable heritage, or force existing residents to accept major disruptions to the

quality and beauty of their existing neighborhoods. We do need better tools to unlock and incentivize development in these other places.

Following that, lesson two is that, more broadly, complicated formulas and mandates are no replacement for a careful “toolkit” based approach, using locally applied fine-grained tools to incentivize the kind of growth we need, and to provide the kinds of protections also needed for existing residents and disadvantaged populations, and also for our heritage assets.

Lesson three is that I think it’s vital to work *with* existing residents, not against them. Over my career in public involvement I’ve seen how residents *can* be converted into partners to find good win-win solutions. For example, discretionary review can be supplemented, not replaced, with a streamlined “prescriptive path” for projects to be essentially “pre-approved” *if* they follow specifications developed *with* the neighborhood residents to assure compatibility and maintain quality. Portland and other Oregon cities are full of wonderful compatible precedents of what we might call “beauty in my back yard.”

I know my colleagues have already pointed out the important economic and cultural value of Oregon’s heritage assets, and these are resources we should value and protect, surely. May I also point out that when residents are upset over demolitions, it may be less a case of fear of change, and more a case of seeing beautiful structures replaced by ones of much lower quality – and I think that degradation is something we all have to take very seriously as environmental stewards, of both the natural and the built environment. And of course those have to go hand in hand.

Thank you.