

Opposition to House Bill 2001 (2019 Session)

Please vote “NO” on HB2001 in its A-Engrossed Form, and amend it to require affordability.

HB2001 will re-zone almost every neighborhood in Oregon.

- **Cities larger than 25,000 population will be required to permit duplexes, triplexes, quadplexes, clusters of small houses, and rowhouses in every area currently zoned for single family houses.**
- **Towns with 10,000 to 25,000 population will be required to permit duplexes on every lot currently zoned for single family houses.**
- **There is no affordability requirement. HB2001 should be amended to require affordability.**

HB2001 Will Create High-Income Housing By Displacing Lower-Income Housing

This bill is basically **a statewide version of Portland’s Residential Infill Project (RIP)** which proposes to re-zone 96% of the city’s single-family house lots to duplex, triplex, and quadplex. **The expected effects of the Residential Infill Project are a good guide to the likely effect of HB2001.**

Based on data and analysis from the city of Portland and others, **those effects are expected to include:**

- The city’s economics consultant said the new infill redevelopment will be primarily **investor-owned rental quadplexes** built to the maximum possible size.¹
- During the hearings on RIP, the developers’ organization said that rent for the new infill quadplexes will be **at least \$2,297/month** for a 1,100 sq ft, 2 bedroom unit.²
- A family will **need income of \$100,000 per year** to afford the new infill quadplexes.³

¹ Johnson Economics report to city of Portland, Nov 29, 2018.

² Portland Small Developers Association slide presentation to Portland Planning and Sustainability Commission, May 14, 2018.

³ Using the standard recommendation that 30% of gross income be spent on housing.

- The new infill redevelopment is expected to **demolish existing housing and displace lower-income Portlanders** and communities of color from many areas of the city.⁴
- One of the city’s planning commissioners, Andre Baugh, compared RIP’s displacement effect to **“institutionalized racism”**:

“RIP is agreeing to displace minorities as part of a policy for creation of additional ‘opportunities’. So we’re saying we’re gonna create all these new units, they may not be affordable, but they’re new units. And for the ‘general good’ of more units – it’s OK to displace a few for this general ‘good’.”

“You can make an argument for displacing the whole population of Portland of minorities because of this policy today, because there’s ‘a greater good’ and a few are going to be displaced.”

“Institutional racism is defined as racial discrimination that has become established as a normal behaviour of society. This is becoming normal behaviour for us as this bureau to say ‘we’re ok with displacement’.”

“The ‘greater good’ is not good if there’s a loss. We have just taken this RIP and made it an arrow of displacement for minorities in the single family dwelling homes. You look at the experience in North/Northeast Portland and the discrimination and the racism – and now you’re going to go out, society hasn’t changed that much and you’re gonna try to do it again.”⁵

- The **supply of rent-controlled housing will be reduced**, because under SB608 the new infill redevelopment will be exempt from rent control for 15 years, replacing existing housing that was rent-controlled.⁶
- Opportunities for **family home ownership will be reduced**, as developers outbid families for the smaller, less expensive houses and demolish them.
- This **infill redevelopment is not required to accommodate the expected number of people moving to Portland**. Lead city planner Eric Engstrom stated:

“Q: [KBOO interviewer] Without the Residential Infill Project, could we still accommodate the expected number of people moving to Portland?”

⁴ City Bureau of Planning and Sustainability report on RIP, Appendix H “Displacement Risk” report.

⁵ Commissioner Andre Baugh, speaking at the Planning and Sustainability Commission work session, Feb 29, 2019. Video clip at https://youtu.be/M_Wwk5cizug

⁶ SB608 (2019) SECTION 2 (7) (a).

A: [City head Planner Engstrom] In pure numbers terms yes. This isn't really about hitting our numbers. The plan anticipated about a hundred and twenty-three thousand households that would be - that the city would grow by that amount in the next twenty years. We can accommodate that number of people without the RIP project.”⁷

Those are the effects we can expect from HB2001 in Portland: **market-rate redevelopment of neighborhoods with higher-priced housing for higher-income households, displacing lower-priced housing and lower-income households.**

The effects in other Oregon cities are likely to be similar. If not, those cities should be allowed to make re-zoning and redevelopment decisions that are best for their residents.

Please Vote Against HB2001 in Its A-Engrossed Form

HB2001:

- Will **eliminate single-family house neighborhoods** statewide
- Will **increase demolitions** of smaller, less expensive houses
- Will **redevelop neighborhoods with large, expensive** infill housing.
- Will **displace vulnerable communities** by pricing out lower-income families
- Will encourage **developers to outbid families for houses**
- Will **take away local control** of zoning, planning and development
- Will **re-zone neighborhoods without allowing public input**
- Will **overburden local services** including schools, sewers, parking and roads
- Will **harm our environment** – the greenest house is the one that already exists!

HB2001:

- Will **NOT mandate affordability** in new infill redevelopment
- Will **NOT result in affordable housing** – new construction is more expensive than the existing houses it will replace
- Will **NOT fund anti-displacement or affordable housing** programs
- Will **NOT allow cities to plan density or growth** near transportation or services
- Will **NOT fund additional infrastructure** needed for infill redevelopment

HB2001:

- Is **OPPOSED** by the **League of Oregon Cities, many individual cities and towns, planning organizations, and the great majority of Oregonians whose neighborhoods will be rezoned.**

⁷ KBOO interview with Portland Planner Eric Engstrom, Sept 2018. Also City of Portland Buildable Lands Inventory, Mar 2012 (existing zoning capacity for 231,500 additional new dwellings).

Please Amend HB2001 To *Require* Affordability

HB2001 should be **amended to apply only to genuine affordable housing**. To do this, the A-Engrossed version should be amended as follows:

Page 2, line 7: insert

“(d) “Permanently affordable housing” means housing that is subject to a covenant appurtenant that restricts the owner and each successive owner of the housing from selling or renting the housing for a monthly payment or rent that is not greater than 30 percent of 60 percent of the median family income for the county in which the development is built, for a period of 60 years from the date of the certificate of occupancy.”

Page 2, line 9: after “middle housing types” insert

“that are permanently affordable housing”

Page 2, line 13: after “a duplex” insert

“that are permanently affordable housing”

This will allow affordable housing developers to build the housing that we really need - not the displacement of lower-priced housing and lower-income Oregonians that the current bill is destined to cause.

Respectfully submitted,

John Liu
Portland, Oregon
publicjohnliu@gmail.com