

Joint Committee on Ways and Means
Subcommittee on Transportation and Economic Development
Oregon State Capitol
900 Court Street NE, Room H-178
Salem, Oregon, 97301
Email: jwmtr.exhibits@oregonlegislature.gov

Re: Opposition to HB 2001A

I am writing to urge you to vote against HB 2001A. Proponents of the bill are promoting middle housing to address the affordable housing crisis, but the bill has no requirements that the middle housing it mandates be affordable. This is a fatal flaw, since density alone does not guarantee affordability; some of the densest places on earth are the most expensive.

Yonah Freemark, a graduate planning student at MIT who studied the real-life consequences of upzoning in Chicago, found *"In the first few years following an upzoning, construction may not immediately increase but the cost of property will."* (See attachment.) This indicates that upzoning may increase residential real estate prices that would further drive up new construction costs.

This study should give you pause. It indicates that the risk of unintended consequences from HB 2001A is high. It would be prudent to wait and see how middle housing zoning develops in Bend before requiring it statewide.

There is another important reason to vote against this bill. It is a draconian State mandate that removes local control from land use planning, thereby negating Oregon's land use framework of comprehensive planning. As such, there will likely be mounting pressure to expand the UGB as areas inside the UGB are densified without comprehensive planning, and the resulting density without supporting infrastructure becomes undesirable.

In addition, I share the other concerns raised in the attached letter.

Please vote against HB 2001A.

Thank you,

Carol McCarthy
950 NW Wild Rose Dr.
Corvallis, OR 97330

HB 2001A undermines Oregon's visionary land use planning. It removes the right of citizens and local governments to determine what zoning and development is appropriate in each local area. Local voters and their elected representatives should decide where more density is desirable, based on a thoughtful planning process that takes affordability, traffic, transit, infrastructure, environmental conditions, and social justice into account.

This bill is being promoted as a solution to the housing affordability crisis without a supporting economic analysis. To the contrary, an analysis commissioned by the City of Portland showed that rezoning all single-family lots to allow for duplexes, triplexes, quadraplexes, and townhouses will promote market-rate rentals over home ownership. The new units are predicted to be mostly micro-rental units with unaffordable average market-rate rents of \$1,823/month.

Rather than affordable housing, Oregon will see speculative redevelopment accompanied by increased demolitions of the most-affordable existing housing and more displacements of the most-vulnerable residents. By the Portland's analysis, this type of rezoning will result in the displacement of low-income residents with no path of return. This will disproportionately impact minorities.

Objections to HB 2001A include:

- Bypasses Oregon's Land Use Goals
- Eliminates Single-Family Neighborhoods
- No market analysis performed
- No parking requirements
- No infrastructure requirements
- No transportation planning
- Environmental protections overridden
- Significant loss of residential tree canopy
- No protection for historic resources
- No restrictions on vacation rentals
- Decreased fire safety in multi-units
- Promotes rentals over home ownership
- Increases demolitions of affordable housing
- Creates unaffordable housing
- Displaces minorities worse than redlining

Oregon does not need HB 2001A. Comprehensive Plans are already required to have a 20-year housing supply of all housing types, including detached single-family housing. Single-family neighborhoods should not be zoned out by State mandate.

The predicted unintentional consequences of this bill are far too negative to jeopardize Oregon's historic land use planning system. Please vote against it.

Please add this to the Record.

Thank you,

Carol McCarthy
950 NW Wild Rose Dr.
Corvallis, OR 97330

cc: Sen.BetsyJohnson@oregonlegislature.gov
Sen.ElizabethSteinerHayward@oregonlegislature.gov
Rep.DanRayfield@oregonlegislature.gov
Rep.DavidGomberg@oregonlegislature.gov
Rep.GregSmith@oregonlegislature.gov
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Upzoning Chicago: Impacts of a Zoning Reform on Property Values and Housing Construction

Posted on March 29, 2019 by [urbanaffairseeditor](#) in [construction](#), [land use](#), [zoning](#) // [4 Comments](#)



By Yonah Freemark (Massachusetts Institute of Technology)

Upzoning—a policy that increases the allowed scale of new construction—has recently attracted considerable attention from policymakers. States from [California](#) to [Utah](#) are considering legal changes that would require municipalities to increase the amount of new housing allowed to be built in certain neighborhoods. In Minneapolis, local officials have done what was previously thought politically impossible: [Allow the construction](#) of multi-family apartments in neighborhoods formerly zoned only for single-family homes.

The theory is that allowing additional new construction will bring more housing, increase housing affordability, and reduce the class and ethnic segregation that plagues most U.S. cities. But it's also a policy being contested by some, often neighborhood groups, who worry that upzoning will encourage real-estate speculation and thus [spur displacement](#).

Considerable research has evaluated how different levels of zoning controls at the *metropolitan* scale compare (most find regulation that allows higher densities associated with lower housing costs). But there has been very little research to understand what happens in *specific* neighborhoods affected by zoning *changes*. That's because, first, large zoning changes affecting entire communities are relatively rare, and second, it's often difficult to identify a comparison group for a zoning study, because so many zoning changes are targeted for areas that are already of particular interest to developers. Think of New York Mayor Michael Bloomberg's [upzonings of the waterfront in Brooklyn and Queens](#).

In my new research, [recently published in *Urban Affairs Review*](#), I delve into this question of what happens in neighborhoods once they are upzoned through a case study of a series of upzonings in Chicago. Implemented in 2013 and 2015, these changes were undertaken broadly, without specific association with new developments or other changes. The upzonings were designed to increase density and reduce parking requirements around rail stations. By examining parcels that were upzoned and comparing them to equivalent, nearby parcels that weren't, I set out to determine what, exactly, happens in the short term after an upzoning.

I identified two primary conclusions about the effects of the zoning changes. First of all, I found no perceptible uptick in new housing-unit permitting in the upzoned areas compared to the unaffected areas over five years. This might seem like a surprise in light of the [news stories regarding apartment projects going up](#) in areas around transit in Chicago in recent years. But my study shows that the zoning reform itself did not induce a specific increase in construction compared to other neighborhoods.

Second, I found an increase in property values in upzoned areas roughly equivalent to the increase in allowed density. This finding extended to existing residential units in some of the models I used, indicating that the cost of living in certain neighborhoods actually increased in the period I examined.

Together, these two findings paint an interesting picture: In the first few years following an upzoning, construction may not immediately increase but the cost of property will.

The two conclusions of this study reflect in part the fact that development is a lengthy process; it takes time to move from a policy like zoning to actually getting housing units in the ground. They also reflect the fact that property buyers *did* rather quickly take the zoning change into account—they were willing to pay more for buildings and land in the upzoned areas.

The study's overarching account raises concerns in that it tempers the expectation that upzoning can be by itself a remedy for housing affordability through increased construction. In the short term, my study suggests that property prices will increase in upzoned areas and new construction won't accelerate. Whether these trends continue into the longer term is unclear.

To what degree can the conclusions of this study inform policymaking? The study absolutely does not find that increasing an area's housing-unit count reduces affordability. The logics of supply and demand are still at play in American cities, and increasing the number of housing units is key to meeting demand. Policies that exclude certain types of people from certain neighborhoods, like zoning codes that prevent apartments from being built in communities filled with single-family homes, simply reinforce segregation and inequality. Upzoning, from that perspective, is undoubtedly a key tool in the arsenal of planners.

But the manner in which upzoning is implemented is important. In any area that city officials are considering for increased density, they should take seriously the concerns of local residents who are worried that their housing costs will increase. They should identify strategies designed to address that possibility, such as rent stabilization and immediate investments in new affordable housing. Moreover, since the study points to a rise in property costs but not new construction,

cities that upzone should make sure to work carefully to promote immediate new construction, not just speculation related to the possibility of *future* construction.

Issues remain that I did not study in relationship to Chicago's zoning change but that we need to better understand. I did not have access to quality rent data, so I could only measure the cost of property. I did not have details about the *types* of housing units being built, so these might have changed over time, and so might have the provision of parking. I did not study the construction of non-residential buildings (like offices or retail space), which may have been affected by the reform. We need more information about how impacts differ *between* neighborhoods. And, importantly, we need to know more about upzoning's effects on individuals (whose movements and housing costs I did not study directly), over the longer term.

It's also essential to note that this research—like all scholarship—must be thoroughly contextualized. It is possible that Chicago's form of upzoning produced different results than would other upzonings because of characteristics specific to this city: whether because it targeted just areas around transit (rather than the city as a whole), because it targeted mixed-use zones (rather than residential-only districts), or because it was implemented in a city with relatively affordable housing (rather than very high rents, such as in San Francisco). More research is needed to investigate whether Chicago's experience would be duplicated elsewhere, or whether it is an exception.

Author Biography


[Yonah Freemark](#) is a doctoral candidate in the Department of Urban Studies and Planning at the Massachusetts Institute of Technology. He has written extensively on housing, land use, and transportation. His dissertation project explores the politics of planning related to transportation infrastructure and associated development in the U.S. and France.

Downloaded from:

<https://urbanaffairsreview.com/2019/03/29/upzoning-chicago-impacts-of-a-zoning-reform-on-property-values-and-housing-construction/>

From: Carol McCarthy
To: JWMTR Exhibits
Cc: Sen Johnson; Sen Steiner Hayward; Rep Rayfield; Rep Gomborg; Rep Smith G; Sen Beyer; Sen Frederick; Sen Girod; Sen Hansell; Sen Heard; Sen Manning; Sen Roblan; Sen Thomsen; Sen Wagner; Rep Holvey; Rep McLain; Rep McLane; Rep Nossie; Rep Piluso; Rep Stark; Sen Gelber
Subject: HB 2001A - Metro Government Affairs Director testifies about the Importance of Local Planning
Date: Wednesday, June 12, 2019 3:34:42 PM

Carol McCarthy <carolmcc.wildrose@gmail.com>

9:52 AM (4 hours ago)  

to jwmtr.exhibits



Please enter the attached video into the record for HB 2001A.

I am including this link, as well, to the 30-second video on Youtube:

<https://www.youtube.com/watch?v=yIBDappZBKY&feature=youtu.be>

Of course, the complete hearing video can also be accessed from the State's video archive (beginning 44:51 minutes into the June 5, 2019 hearing on SB 10).

The video segment shows Andy Shaw, Metro's Government Affairs Director, testifying on June 5, 2019, stating that:

*"We've heard some compelling testimony earlier, regarding the **reasons for having planning done at the local level**. In particular, the ability to have conversations with community about the most thoughtful way to plan out development in a particular area, city or neighborhood; **the opportunity for meaningful public engagement in that process**. **There are lots of considerations around the infrastructure needed to support levels of density, and different types of infrastructure in different parts of communities.**" (beginning 44:51 minutes into the June 5, 2019 hearing on SB 10).*

It is my hope that legislators will **Vote Against HB 2001A** because it mandates local zoning. Tom McCall's SB 100 delegates land use planning to local governments through comprehensive planning. It requires citizen involvement in all aspects of land use planning.

Thank you,

Carol McCarthy
950 Wild Rose Dr.
Corvallis

From: [Carol McCarthy](#)
To: [JWMTR Exhibits](#)
Cc: [Sen Johnson](#); [Sen Steiner Hayward](#); [Rep Rayfield](#); [Rep Gomberg](#); [Rep Smith G](#); [Sen Beyer](#); [Sen Frederick](#); [Sen Girod](#); [Sen Hansell](#); [Sen Heard](#); [Sen Manning](#); [Sen Roblan](#); [Sen Thomsen](#); [Sen Wagner](#); [Rep Holvey](#); [Rep McLain](#); [Rep McLane](#); [Rep Nosse](#); [Rep Piluso](#); [Rep Stark](#); [Sen Gelser](#)
Subject: Portland has TWICE the Zoning Capacity Metro Forecasts for Growth in Portland
Date: Wednesday, June 12, 2019 6:59:08 PM
Attachments: [TwiceZoningCapacityAsMetroForecastedGrowth-TomArmstrong.mp4](#)

Please enter the attached 1.3-minute video into the record for HB 2001A.

I am including this link, as well, to the minute and a half video on Youtube:

<https://www.youtube.com/watch?v=HZ0i8QkcA40&feature=youtu.be>

Of course, the complete hearing video can also be accessed from the State's video archive (beginning 52:33 minutes into the June 5, 2019 hearing on SB 10).

The video segment shows Tom Armstrong, Portland Supervising Planner, testifying on June 5, 2019 that after completing an extensive 8-year comprehensive planning effort:

... "where we've ended up today is with a plan that has twice the zoning capacity Metro forecasts for growth in Portland."

Armstrong goes on to describe other ongoing efforts that the City of Portland is undertaking to change zoning, including in its single-family areas (that cover 95% of the city's residential areas) to allow triplexes and quadplexes (beginning 52:33 minutes into the June 5, 2019 hearing on SB 10).

It is my hope that legislators will **Vote Against HB 2001A** because it is a State Mandate that applies a one-size-fits-all approach to zoning that negates ongoing local comprehensive planning, which is in the jurisdiction of local authorities under Tom McCall's SB 100. SB 100 Goal 1 requires citizen involvement in all aspects of land use planning. This bill removes citizen participation from zoning decisions, one of the most important aspects of land use planning.

It should be noted that State law requires that before comprehensive plans are acknowledged, DLCDC must confirm that a municipality has enough capacity to meet the projected demand of all housing types for 20 years. It is also noteworthy, that comprehensive plans must go through Periodic Review to ensure that there continues to be enough capacity of each housing type as defined in State law.

Thank you,

Carol McCarthy
950 Wild Rose Dr.
Corvallis

From: [Carol McCarthy](#)
To: [JWMTR Exhibits](#)
Cc: [Sen Johnson](#); [Sen Steiner Hayward](#); [Rep Rayfield](#); [Rep Gomberg](#); [Rep Smith G](#); [Sen Beyer](#); [Sen Frederick](#); [Sen Girod](#); [Sen Hansell](#); [Sen Heard](#); [Sen Manning](#); [Sen Roblan](#); [Sen Thomsen](#); [Sen Wagner](#); [Rep Holvey](#); [Rep McLain](#); [Rep McLane](#); [Rep Nosse](#); [Rep Piluso](#); [Rep Stark](#); [Sen Gelser](#)
Subject: HB 2001A: Portland Planner asks "Where can they (disproportionately minority, low-income renters displaced by triplexes and fourplexes) go?"
Date: Wednesday, June 12, 2019 9:33:57 PM
Attachments: [DisplacedRenters_WhereCanTheyGo-TomArmstrong.mp4](#)
[204311_AndreBaugh-TestimonyOpposingHB2001.pdf](#)

Please enter the attached 43-second video into the record for HB 2001A. The video segment can also be accessed from the State's video archive (beginning 55:47 minutes into the June 5, 2019 hearing on SB 10).

Here is a link to the video on Youtube:

<https://www.youtube.com/watch?v=oBQj3qI9BWM&feature=youtu.be>

The video segment shows Tom Armstrong, Portland Supervising Planner, testifying on June 5, 2019 about concerns regarding the displacement of low-income renters when triplexes and quadplexes are allowed in (single- family) residential neighborhoods:

... "one issue that we've also started to tackle has to do, and was mentioned in previous testimony, is looking at how the increased density will/could displace lower-income households, and how we mitigate for that impact, and that's one of the challenges we're running into with our Residential Infill proposals, in terms of even allowing triplexes and fourplexes in the residential neighborhoods- what does that mean for low-income renters who are renting single-family homes, and who get displaced by this new development, and where can they go?"

The same concerns were raised by Andre Baugh, former Portland Planning and Sustainability Commissioner, before he voted against Portland's Residential Infill proposal, as shown in this video:

<https://www.youtube.com/watch?v=sFwSk6wQFoU>

"You're asking me as an African American, to approve displacing African Americans that can't even come back. I get redlining. Redlining was: I couldn't live in this section town and I could live across the tracks. Now I can't even live in Portland anymore. I just can't approve that." (Andre Baugh, beginning at minute 2:50).

Attached is Andre Baugh's testimony opposing HB 2001A, submitted into the record on June 12, 2019.

It is my hope that legislators will Vote Against HB 2001A because it is very similar to Portland's Residential Infill proposal that is predicted to displace low-income renters and disproportionately harm minorities. HB 2001A is being promoted to address the affordable housing crisis and provide a path to home ownership, but there is evidence in the record predicting it will produce mostly market-rate rental properties: the Johnson Economics analysis of Residential Infill proposal, contracted by the City of Portland, showed it would result in the construction of mostly market-rate rental units, with unaffordable, average monthly rents of \$1,823/month. HB 2001A does not require that the "middle housing" it mandates be affordable or owner-occupied.

Thank you,

Carol McCarthy
950 Wild Rose Dr.
Corvallis

From: [Carol McCarthy](#)
To: [JWMTR Exhibits](#)
Subject: HB 2001A - Metro: Challenges are the market & infrastructure (not zoning capacity)
Date: Wednesday, June 12, 2019 9:52:50 AM
Attachments: [WeDontExpectToNeedThatManyHomes-AndyShaw.mp4](#)

Please enter the attached video into the record for HB 2001A. Here is a link to the 18-second video on Youtube:

<https://www.youtube.com/watch?v=Z5GH8YExxIg&feature=youtu.be>

Of course, the complete hearing video can also be accessed from the State's video archive (47:30 minutes into June 5, 2019 hearing on SB 10).

The video shows Andy Shaw, Metro's Government Affairs Director, testifying June 5, 2019, stating that:

"The capacity of zoning is not really the challenge that the Portland Region faces. We have capacity for approximately 1.3 million more homes in the Portland Region. We don't expect to need that many homes. The challenge is more of a market and infrastructure challenge in our area." (47:30 minutes into June 5, 2019 hearing on SB 10).

It is my hope that the legislature will vote against this bill because there is not a factual basis in the record that extra capacity is needed or that it would produce affordable housing.

Thank you,

Carol McCarthy
950 Wild Rose Dr.
Corvallis, OR



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