



August 10, 2021

Chair Stevens
Clackamas County Planning Commission
2051 Kaen Rd.
Oregon City, OR 97045

Subject: ZDO-277 Phase I Land Use Housing Strategies – August 23 Public Hearing

Dear Chair Stevens 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.

Portland Metro 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.

Together, our associations are inextricably linked in property acquisition, financing and construction of housing – including mixed use development – and contributing to a healthy supply of both rental and homeownership opportunities. In June, our associations strongly supported the Board of Commissioners in continuing the technical work on the Clackamas County (“the County”) Phase I Land Use Housing Strategies Project (“Project”), rooted in the County’s 2019 Regional Housing Needs Analysis (“HNA”) and HBA-supported 2018-2019 Housing Affordability and Homelessness Task Force policy recommendations.

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.

Of the 8,175 dwelling units projected over the next two decades, the County expects 40% will need to multifamily, including mixed use residential units. However, because most high density multifamily land is built out with only about 9 remaining unconstrained commercial / mixed use vacant acres, 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

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

actual land base is predominantly planned for low density, with an overall average density of 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 multifamily housing development in urban unincorporated areas.

To help address the housing deficit in these areas, our associations wholeheartedly support the current Project proposal to increase allowed density to 60 dwelling units / acre in the four applicable commercial zoning districts. Additionally, we are enthusiastic about the proposed additional density bonus that would allow for a 20% increase over this base density for housing developed in conjunction with commercial uses. By encouraging more combined urban housing and commercial activity in the C-3, RT, OC and CC commercial zones – where mixed use is already allowed – the County can help close the gap for high density residential needs while maintaining a thriving commercial and retail sector.

In order to enhance siting and design flexibility on a given site, **HBA and PMAR recommend additional code language specifying that the commercial uses in these zones are allowed to be sited in a separate structure from residential, and on any floor of a mixed-use building.** This commercial siting flexibility allows developers and Realtors® to plan for highest and best use according to site shape, topography, and existing surrounding neighborhood characteristics.

Adding commercial siting flexibility to the code can also help boost the proposal's mixed-income component, which allows for an additional 50% density bonus for both for-sale and rental units held affordable to households at or below 80% Median Family Income (MFI), for at least 30 years. However, due to construction defect law, for-sale condominiums and for-rent apartments are not typically constructed in the same building. Therefore, because households with 80% MFI are more likely to qualify for purchasing a market rate condominium compared to households at 60% MFI, setting a higher MFI threshold encourages vertical homeownership and rentals on the same site.

We also support the Project proposal to reduce 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 recommend the addition of a 15% required parking reduction for units guaranteed affordable at 61% - 80% MFI.**

The County has the opportunity to promote new mixed use, mixed income projects by incentivizing higher residential densities in conjunction with important commercial activity. With the addition of commercial use siting flexibility and required parking reduction for units affordable at 61% - 80% MFI, the County can make great strides in achieving its urban unincorporated housing needs.

Sincerely,



Roseann Johnson, HBA Assistant Director of Government Affairs



Michele Gila, PMAR Director of Realtor® Advocacy

Cc: Sonya Fischer, Commissioner
Paul Savas, Commissioner

Martha Schrader, Commissioner
Mark Shull, Commissioner