



# YES on HB 2001

## Housing for All Oregonians

An Informational Packet Presented By:



# YES on HB 2001

## Housing for All Oregonians

Your child's second grade teacher. Empty nesters who want to stay in their neighborhood but don't need quite as much space. Your medical technician and their child. A widower who wants to stay in the neighborhood where he knows his way around. Your grocery store clerk who wants to live near where they work. Oregonians at every income level, age, and family size need middle housing.



## Middle housing offers more affordable options.

Requires all Oregon cities over 10,000 in population to allow "middle housing" in all neighborhoods where single family housing is allowed.

"Middle housing" are homes that fall between single family, detached houses on larger lots, and apartments in mid- to high-rise buildings.

Middle housing helps meet the family sizes and incomes of more Oregonians. HB 2001 includes duplexes, triplexes, quadplexes, and cottage clusters.

**These smaller housing options are in big demand in cities across Oregon, yet they are not legal to build in most residential neighborhoods.**

"If a community were to allow for more units to be built on a given parcel of land, then better affordability can be achieved, and future growth more efficiently accommodated."

— Josh Lehner, Economist, Oregon Office of Economic Analysis in *Reconsidering Single Family Zoning* (2018)



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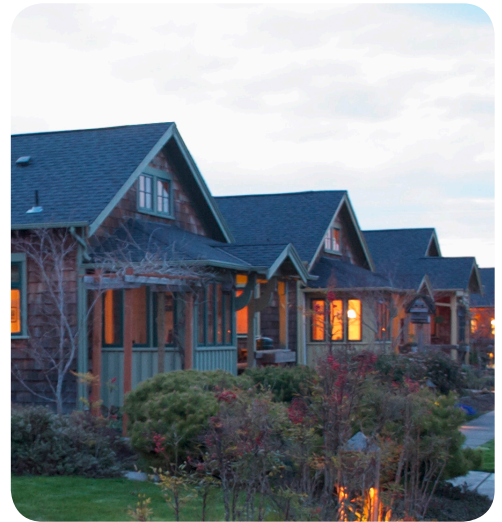


# We need middle housing now.

Most Oregon households consist of 1-2 people, yet today, most of our residential land is zoned for detached, single-family homes. This simply does not meet the home size or price most Oregonians need, want, and can afford. Most people need something between a 4-bedroom house on a large lot and a studio on the 6th floor of a high rise.

Until the mid-1900s, middle housing was legal and common throughout most Oregon cities. Many single-family housing zones were created as a form of redlining, a practice used to keep people of color out of the most desirable neighborhoods.

HB 2001 helps break down the economic and racial separations institutionalized in the development patterns of many of our towns and cities, by legalizing what was previously allowed in most neighborhoods, bringing housing in walkable neighborhoods for all Oregonians.



*Cottage cluster, courtesy of Ross Chapin Architects, Salish Pond cottages, Fairview, OR*



**PCRI Triplex, Portland**

## Frequently asked questions:

### **Will middle housing cause more homes to be torn down?**

No. HB 2001 directs the state building code agency to develop regulations that allow for existing homes to be kept and more easily converted into multi-plexes. The reason some Oregon neighborhoods are seeing teardowns now is because we do not have enough of this type of high-demand housing.

### **Have any Oregon cities allowed middle housing in most of their residential neighborhoods?**

A few cities have taken steps in this direction, including Tigard, Bend, and Madras. But most have not, and therefore are failing to meet the housing needs of current and future residents. The "housing crisis" has gone on for almost a decade. It's time for every community to get on board.

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## HERE'S OREGON'S NEW BILL TO RE-LEGALIZE 'MISSING MIDDLE' HOMES STATEWIDE

The proposal from Speaker Tina Kotek, HB 2001, would be great for workforce housing across the state.



Author: **Michael Andersen**

(@andersem) on January 10, 2019 at 5:00 am

This article is part of the series [Legalizing Inexpensive Housing](#)

*The bill adds up to a common-sense approach to helping more Oregonians live their American dreams.*



Duplexes, triplexes and quads were legal and common, across Oregon and elsewhere, until cities [started banning them](#) from most residential land in the mid-1900s.

These neighborhood-specific bans on mid-size homes have worsened Oregon's long-term shortage of workforce housing, driving up home costs and forcing many families to choose between two extremes: a detached home with a lawn—which often has to be far from work and amenities in order to find cheap land—or a small apartment in a commercial area.

**READ MORE:** [19 Questions That 2019 Will Answer about Cascadian Housing Reform](#)

Oregon [began the process of reversing these bans](#) in 1973. Senate Bill 100, which created Oregon's land-use boundaries, also required cities to allow more attached housing.

But simply allowing apartments in commercial areas doesn't serve many Oregon households. And it doesn't actually create mixed-income neighborhoods.

"Working families are just struggling to find an affordable place to live," said Shannon Vilhauer, executive director of Habitat for Humanity of Oregon, referring to the statewide housing situation,

especially outside the Portland metro area. “Very few new units are being built overall. Typically the ones being built have a huge square footage.”

“I’m a real estate broker, have been for 20 years,” said Tom Anderson, a city council member in Tigard who last November backed a [local reform](#) that essentially legalizes duplexes and corner-lot quads citywide. “Who’s the missing middle? It’s your teacher at your kids’ grade school who can’t afford a house in [Bull Mountain](#). Or firefighters or cops who have been on the job for 10 years and just got married.”

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All this is why the speaker of Oregon’s House of Representatives, Tina Kotek, has proposed a logical next step: removing local bans on duplexes, triplexes and quads, while letting local governments continue to make decisions about the size and design of buildings in low-density zones.

**READ MORE:** [Proposed bill would rein in potential lawsuits and bring more home ownership options to Washington](#)

The [text of Kotek’s bill](#), H.B. 2001, went public Wednesday night, along with other bills proposed for this year’s legislative session.

Here are the highlights:

- It **defines “middle housing”** as a duplex, triplex, quad or [cottage cluster](#).
- It requires all Oregon cities with populations over 10,000, and counties with populations over 15,000, to allow these options **somewhere in all their low-density urban zones**, but gives them the power to set “reasonable” local rules. (For example, a city could say that a new duplex must have the same maximum size as a one-unit building.)
- It **doesn’t require quads or triplexes to be legal on every lot**. For example, a city might say quads are only allowed on corner lots, or only on lots of at least 10,000 square feet. It *does*, however, require that every residential lot allow at least a duplex or cottage cluster, and it requires that every option be legal on at least some lots within a given zone.
- It gives local governments **state money to do the necessary planning**, and also directs the state to write a model code that automatically takes effect if cities can’t come up with a local alternative by the end of 2020.
- It **strikes down local laws that block tenants** from living in either the main or accessory homes if there is an accessory home on site.

- It **removes parking quotas for accessory homes** statewide (while continuing to allow on-site parking if people want it).
- It reduces interest payments to banks and investors by requiring cities to **collect impact fees on middle housing only when a building actually becomes habitable**, rather than before construction begins.

There's a lot here, but it adds up to a common-sense approach to helping more Oregonians live their American dreams. It lowers the bar to homeownership, it makes neighborhoods more renter-friendly, it gives more Oregonians the ability to prioritize the location of their home over its size, and it chips away at the invisible walls that separate our communities by wealth and income.

There'll be plenty of debate about this bill; neither Anderson or Vilhauer, speaking earlier this week, were willing to endorse it sight unseen. But now that we've seen the text, most Oregonians should find a lot to cheer for.

News

# The Question For Bend: If You Code It, Will They Build?

by **Emily Cureton** (/contributor/emily-cureton/) [Follow](#) OPB Dec. 6, 2018 12:30 p.m. | Bend, Ore.

Download (<https://api.spreaker.com/download/episode/16403226/16403226.mp3>)

Leaders in Bend have decided that denser neighborhoods are one answer to rising housing prices.

After more than a year of work, the Bend City Council voted to allow duplexes and triplexes on smaller lots in some residential neighborhoods and to waive architectural standards for this type of construction.

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(/news/article/bend-oregon-urban-growth-boundary-affordable-housing/)

City planners said the idea is to encourage middle-income housing to fill in older neighborhoods, instead of sprawling out to new subdivisions. Portland has been working to pass a similar project (<https://www.portlandoregon.gov/bps/67728>) for years.

According to Bend Senior Code Planner Pauline Hardie, the city's land use plan was restricting density to the point where, in practice, only

## Affordable Housing Project To Push Bend's Growth Boundary ([/news/article/bend-oregon-urban-growth-boundary-affordable-housing/](#))

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people with really large lots could build duplexes, let alone triplexes in the most common residential zone designation.

“Instead of looking at density on a lot-by-lot basis, we’re proposing to look at density on a citywide scale,” Hardie told the council.

She said filling in Bend neighborhoods dominated by single family homes still puts the city under target density, and dropping the

consideration from multi-plex building permits effectively cuts the minimum lot size in half. That opens up more neighborhoods to infill development.

A lengthy public process didn’t quell opposition and anxiety before the unanimous final vote. Some people worried about parking, traffic congestion or how their neighborhoods might change without standards requiring architectural elements, such as windows, eaves and paneling, match nearby houses.

“We’ve built our homes according to the codes that were there,” homeowner Kim Campbell said, urging the council to define and ensure compatibility standards.

Meanwhile, the Central Oregon Builders Association advocated for throwing out the standards the council did keep in place, such as regulating square footage relative to lot size, and the layout of front doors and garages.



# Oregon Office of Economic Analysis

Oregon Economic News, Analysis and Outlook

Posted by: **Josh Lehner** | December 12, 2018

## Reconsidering Single Family Zoning

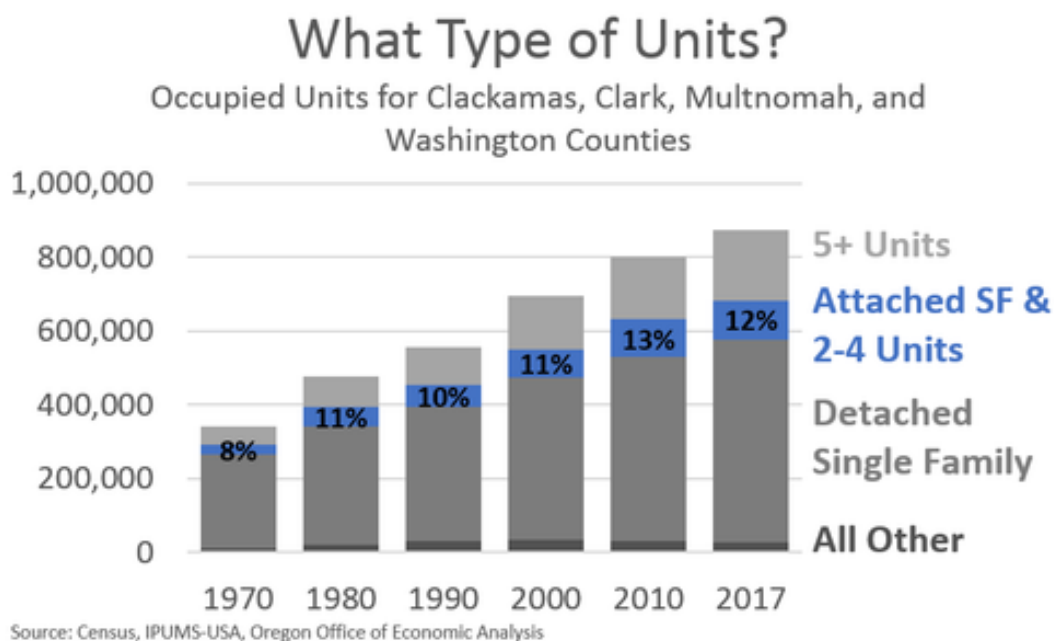
As policymakers, builders, and the market work to solve the housing supply issues, a key question everybody asks is what type of housing do we need? Aren't millennials always going to be renters? [No (<https://oregoneconomicanalysis.com/2018/09/26/peak-renter-in-the-rearview/>)] Should we grow up, or out? Our office's simple answer is yes. To accommodate recent and expected growth we will need to see housing supply pick up across the spectrum. This includes both an increase in the effective (buildable) land supply and redevelopment opportunities on lands within our existing communities. This is especially true for areas with good access to employment centers, stores, restaurants, transit and the like.

While most housing discussions — at least ones our office are a part of — tend to focus on land supply and new construction on the urban fringes, the redevelopment aspect is also an integral part of the housing supply solution. Despite this post's title, I don't want to get bogged down in the zoning weeds here. That said, there are a number of important aspects to discuss and points to consider. Lately I have incorporated more of this work into presentations, including for recent Bend (<https://oregoneconomicanalysis.com/2018/10/31/bends-economic-and-housing-outlook/>) and Portland (<https://oregoneconomicanalysis.com/2018/11/02/portlands-economic-and-housing-outlook/>) forecast events.

The crux of the matter is land is the scarce commodity here. Outside of lava flows and seawalls, we're not making more of it. As a region grows, so too does housing demand which places upward pressure on housing costs. This is great for homeowners as wealth builds (<https://oregoneconomicanalysis.com/2018/05/03/rising-home-equity-in-perspective/>), but bad for renters and the economy more broadly (<https://eml.berkeley.edu/~moretti/nyt1.pdf>). Provided we, as a community, actually want to address affordability and accommodate future growth, increased construction is a must.

The problem is in many places one cannot simply build more housing due to zoning restrictions (minimum lot size requirements, setbacks, parking etc). However, if a community were to allow for more units to be built on a given parcel of land, then better affordability can be achieved, and future growth more efficiently accommodated. This is for at least two reasons. First, one would be dividing

high land costs over a larger number of units which both lowers cost per unit and increases supply relative to existing zoning. Second, each unit will be smaller than under current zoning, which also lowers the cost per unit.



(<https://oregoneconomicanalysis.files.wordpress.com/2018/12/missingmiddlechart17.png>)

Currently the City of Portland is considering making changes to much of its single family zoned neighborhoods. Minneapolis recently passed similar zoning changes and Seattle has been wrestling with the possibility in recent years. Now, the proposed changes are not for high rise construction throughout the city, but it would allow for townhomes, duplexes, and triplexes to be built, the so-called missing middle housing. A recent analysis by Johnson Economics (<https://www.portlandoregon.gov/bps/article/705704>) for the City of Portland confirms such changes would greatly increase housing supply and improve affordability relative to the status quo. Full disclosure: Jerry Johnson is a member of the Governor's Council of Economic Advisors, our office's main advisory group.

Essentially what the analysis finds is the net increase in new housing units in the City of Portland would triple relative to current policies and rents for the new units would be half the price. How is this possible? As the report says: "the net impact is expected to be a greater proportion of redevelopment being multiple-unit properties, providing greater net unit yield and lower average price points as a result." Now, these new units are not cheap, as new construction is expensive (<https://oregoneconomicanalysis.com/2016/05/25/housing-does-filter/>), but allowing for townhomes and quads instead of just large, detached single family homes does reduce the price per unit. Additionally, this outcome does not result in a big increase in demolitions of existing homes either.

Specifically, the analysis finds the net increase in housing units on the potentially rezoned parcels would be 1,800 per year over the next 20 years. This is both massive for a single policy change and modest from a growing, regional perspective. In looking at population growth and household formation forecasts *for the entire Portland region*, this proposed change equals 13-15% of the annual increase in housing demand. By simply allowing for — not requiring — townhomes and triplexes to

be built on existing lands in the City of Portland, the policy can accommodate 1 out of every 7 new Portland area households in the coming decade. That is a big finding. Now, on a regional scale it is a bit more modest as we still need to figure out where the other 6 new households will live.

Finally, while I believe the most important aspects from an economic perspective are affordability and supply, there are myriad concerns and societal issues that come along with growth and changes. Growing pains are real, even as they are much preferable to the pangs of decay seen through the Rust Belt and elsewhere. That said, as we have discussed before (<https://oregoneconomicanalysis.com/2015/11/05/housing-stock-and-the-missing-middle/>), there are also some real economic and societal benefits to missing middle housing.

## Missing Middle Housing Benefits Include:

- Affordability
- Walkable neighborhoods
- Human scale density
- Aging in place
- Economic mobility
- Environmentally friendly
- Existing infrastructure

(<https://oregoneconomicanalysis.files.wordpress.com/2018/12/missingmiddlebenefits1.png>)

All of these benefits accrue to individuals, their households, their communities and help address public policy issues at the same time. Townhomes are more affordable than detached single family homes\*. Missing middle housing allows for somewhat denser neighborhoods which supports local businesses, a more walkable neighborhood while also not towering over neighboring buildings as high rises do. Providing housing options within existing neighborhoods also better allows one to age in place, and older residents do not have to leave lifelong friends and relationships to downsize as their housing needs change. Missing middle housing, through better affordability and providing options results in more integrated neighborhoods which is one of the five key characteristics of high economic mobility communities (<https://oregoneconomicanalysis.com/2018/11/29/economic-mobility-place-and-community-matters/>). Finally, missing middle housing reduces the environmental impact and, crucially, makes more efficient use of existing infrastructure.