

My View: Who Is the Residential Infill Project Really For?

Portland city planners want to redevelop Portland's single-family house neighborhoods by rezoning them for multifamily quadplex construction. They call this city-wide rezoning plan the "Residential Infill Project". City council will vote on the RIP later this year.

RIP will allow 96% of Portland's houses on neighborhood streets to be replaced with three-story, 4,000 sq ft quadplexes. The new quadplexes may be as close as 5 feet from neighboring lots, 10 feet from the sidewalk. There are no requirements of affordability, retaining trees, compatibility with the neighborhood, or off-street parking.

In November, the city commissioned an analysis of RIP. The report, by Johnson Economics, concluded that most redevelopment will be at the maximum permitted size and height: *"we would expect new development to largely develop close to the new limits."* 1/ City data shows the typical house in most Portland neighborhoods is 1,500 sq ft and 1 to 2 stories: RIP quadplexes will be 2 to 3 times larger than neighboring houses and twice as tall. 2/

The Johnson report also concluded that most redevelopment will be investor-owned rental quadplex apartments: in the report's words, *"largely rental product"*. There will be little room for homebuyers: *"Ownership residential solutions under the proposed new codes would be expected to be limited"*. 3/

Johnson's analysis also shows RIP redevelopment will produce rental apartments that are both small and expensive. According to this city-commissioned report, these rental quadplex units will be around 730 sq ft at a typical rent of \$1,823 per month. 4/

City planners claim RIP will lead to "lower" rents. Their own report makes it clear this is only true if you compare rent for a small apartment to the rent for a house that is twice as large. Johnson describes this as *"average rents dropping by 56% . . . which reflects a change in unit size as opposed to reduced rents per square foot."* 5/

Comparing apples-to-apples, to similar apartments, RIP will lead to much higher rents. According to the City of Portland Housing Bureau, the average rent for existing one bedroom apartments in Portland is \$1,379 per month. 6/ RIP quadplex apartments, which will cost \$1,823 per month, will be 35% more expensive than current average rents.

RIP won't do anything for Portland's affordable housing problem. According to the Housing Bureau, the affordable rent level for a one bedroom apartment in Portland, for a family making 60% of median family income, is \$840/month. For a family making 80% of median family income, affordable rent is \$1,120/mo. 7/

RIP will worsen the demolition problem in Portland. Johnson concludes that under RIP, in the coming decades, up to 38,000 new units could be built. 8/ That's 9,500 new three-story, high-

priced, quadplex apartment buildings that planners want to see built in our neighborhoods. Thousands of Portland houses will have to be demolished.

Here's something the city and its Johnson report don't mention: gentrification and displacement. When neighborhoods are rezoned and redeveloped, the less expensive houses are the first to be bought and demolished. The families who rent these houses are the first to be evicted and "priced out". We have already seen this in many parts of North and East Portland, with new construction "luxury" duplexes replacing older and less expensive houses, and lower income families pushed out. RIP rezoning will accelerate this displacement, all over the city, by replacing existing housing with expensive quadplex apartments.

The city's own commissioned report makes it clear. RIP won't produce affordable housing, average-priced housing, or family-sized housing. It won't create more homeownership. It will only create opportunities for developers and investors to build small, expensive apartments. It will lead to more demolitions and displacement. Who is RIP for? Not for ordinary Portlanders.

John Liu is an investment manager and financial analyst in Portland. He is an active member of the Portland Coalition for Historic Resources, a group dedicated to the preservation and adaptive reuse of Portland's built environment.

Citations:

- 1/ Johnson Economics Report to City of Portland Bureau of Planning and Sustainability, November 29, 2018, p. 2.
- 2/ Data on house size/height provided by City of Portland.
- 3/ Johnson Economics Report, p. 2 and 7.
- 4/ Johnson Economics Report, table p. 4, and p. 6.
- 5/ Johnson Economics Report, p. 6.
- 6/ Portland Housing Bureau, State of Housing Report 2018, p. 65.
- 7/ Portland Housing Bureau, data posted online.
- 8/ Johnson Economics Report, p. 6.