

March 30, 2021

To: Chair Sen. Kayse Jama and members of the Senate Committee On Housing and Development

Re: Support for SB 458

Dear committee members,

As non-profit and for-profit homebuilders from the Portland metropolitan area, we are writing in support of SB 458. This bill will be an excellent and timely complement to Portland's recently adopted Residential Infill Project (RIP), which implements HB2001 by allowing 'middle housing' in residentially zoned areas of the city.

Although the smaller and less expensive housing types allowed through RIP are ideal for first time homebuyers, they'll only get built if Portland's homebuilders actually use it.

Yet RIP provisions for 'middle housing' do not support fee simple ownership models (except for the limited case of corner duplexes). This is a major obstacle, since builders, buyers and lenders all prefer fee simple ownership. Also, for many buyers, a single family home would be within financial reach whereas a 2-4 plex would not be.

It's true that some builders have reluctantly started using condominium ownership as an end run to Portland's expensive and time-consuming subdivision process. Even so, it's unlikely that for-sale versions of 'middle housing' will get much traction if condominium is the only possible option. And from a long-term management perspective, it makes no sense to have zoning code limitations drive the creation of hundreds (or eventually thousands) of 2-4 unit condominium associations where the only shared elements are common walls and fences; and these tiny HOAs must be maintained in perpetuity.

Although Portland has yet to adopt a cottage cluster code, it will need to do so to fully comply with HB2001. There are good reasons why most cottage clusters or "pocket neighborhoods" developed elsewhere in the US are legally subdivisions. SB 458 would ensure that cottage clusters could be owned this way in Oregon communities too.

RIP was a huge project, and Portland understandably opted not to try to simultaneously update its subdivision process. But that's no reason to give up on the notion of allowing small homes on their own small lots. In fact, this is *exactly* the kind of housing we should be supporting to meet the demands of moderate-income homebuyers who have been largely shut out from the current new home market.

Please support SB 458!

Thank you for your consideration,

Peg Malloy, Portland Housing Center
Diane Linn, Proud Ground
Kevin Kellogg, Hacienda CDC
Eli Spevak, Orange Splot LLC
Paul DeVecchio, Ethos Development
Josh Salinger, Birdsmouth Construction
Garlynn Woodsong, Woodsong Associates, LLC

Stephen Aiguier, Green Hammer Design Build
Sean Heyworth, Portland Houseworks LLC
Ethan Beck, Ethan Beck Homes
Douglas MacLeod, Blue Sky Property Northwest
Kol Peterson, Accessory Dwelling Strategies