Making Room for Middle Housing: HB 2001 and Lessons from Oregon

November 8, 2019

Oregon Chapter of the American Planning Association
Making Room for Frontline Communities in Middle Housing
How did we get here?
Where is here?
Whites Have Huge Wealth Edge Over Blacks (but Don’t Know It)

By EMILY BADGER • SEPT. 18, 2017

Psychologists at Yale recently asked hundreds of Americans these two questions: RELATED ARTICLE

For every $100 earned by an average white family, how much do you think is earned by an average black family?

- $0-$25
- $26-$50
- $51-$75
- $76-$100
- $100+

For every $100 in wealth accumulated by an average white family, how much wealth has the average black family accumulated?

- $0-$25
- $26-$50
- $51-$75
- $76-$100
- $100+
For every $100 in wealth accumulated by an average white family, how much wealth has the average black family accumulated?
So, how did we get here?
The *Baltimore Sun* summarized the ordinance’s provisions as follows:

That no negro can move into a block in which more than half of the residents are white.
That no white person can move into a block in which more than half of the residents are colored.
That a violator of the law is punishable by a fine of not more than $100 or imprisonment of from 30 days to 1 year, or both.
That existing conditions shall not be disturbed. No white person will be compelled to move away from his house because the block in which he lives has more negroes than whites, and no negro can be forced to move from his house if his block has more whites than negroes.
That no section of the city is exempted from the conditions of the
House Bill 2001: Bold State Leadership

How Oregon became the first state in the country to legalize middle housing in single-family neighborhoods.

Presented by: Taylor Smiley Wolfe, Former Policy Director for House Speaker Tina Kotek & Current Director of Policy and Planning at Home Forward

Source: National Public Radio, 2019
The Motivation:

A statewide affordable housing crisis and a choice about addressing housing needs in a ways that fosters more inclusive communities:

- Statewide shortage of 155,000 homes
- Residential segregation by income
- Income as a proxy for race/ethnicity
- Local political dynamics about zoning & the Role of the State
The Motivation: Statewide shortage of 155,000 homes
The Motivation: Zoning and Residential Segregation

Portland’s highest-income Census block groups mapped against its first 15 exclusionary zones

The Motivation: Residential Segregation by Income

Source: Eli Spevak
The Motivation: Connection to Race and Ethnicity

- 64% of housing is single family detached
- 84% of these homes are owner occupied
- % of Racial Groups living in SF detached
  - 66% White non-Hispanic
  - 46% Latinos
  - 36% Blacks
  - 52% Native
  - 44% Native Hawaiian
  - 60% Asian

Median Household Income (2011 – 2015)

- Asian (Non-Hispanic): $65,623
- White (Non-Hispanic): $53,185
- All Oregonians: $51,489
- Two or More Races (Non-Hispanic): $43,138
- Hispanic: $41,062
- Other Races (Non-Hispanic): $41,009
- American Indian, Alaskan Native (Non-Hispanic): $36,046
- Native Hawaiian, Other Pacific Islander (Non-Hispanic): $35,040
- African American (Non-Hispanic): $32,509


From: State of Oregon, 2018: Breaking New Ground: Oregon’s Statewide Housing Plan

Source: Dr. Marisa Zapata, Presentation to House Human Services and Housing Committee (02/22/19)
The Motivation: The Role of the State

“We also find the more local pressure to regulate land use is linked to higher rates of income segregation, but that more state control is connected to lower-income segregation.”

Lens & Monkonnen 2015

Proposed rules would force new Portland homes to fit existing neighborhoods

Author: Nina Mehaffey
Published: 7:09 PM PDT July 20, 2016
Updated: 7:08 PM PDT July 20, 2016
Goals of the Legislation

1. Increased housing choice
2. Meeting statewide housing goals
3. Increased supply of a less expensive housing option

Oregon needs to build 30,000 new housing units per year to address the state’s current housing deficit and to prepare for future population growth. During 2017, the height of permit approval in the past decade, only 20,000 units were approved statewide.
Legislative Process

1. Speaker Introduced Bill
2. Committee hearings
3. Bi-partisan legislative workgroup
   1. Legislators: 2 Dems, 2 Republicans
   2. Local Jurisdictions
   3. Home builders/developers
   4. Land use advocates
   5. Agency staff

Landmark Oregon Housing Measure Inches Closer To Passage
The landmark measure sailed through the state House on a bipartisan 43-16 vote and now moves to the Senate, where it could get tangled up by a...

opb.org
Key Amendments

1. Local flexibility: Allow cities to regulate siting and design of middle housing
2. Fewer requirements for small cities
3. More time to develop a local code
4. Clarification around where middle housing must be allowed
5. Created extension process for certain neighborhoods with infrastructure challenges
6. Removed language that would have required local jurisdictions to defer collection of system development charges until certificate of occupancy
7. $3.5 million dollars in technical assistance for local jurisdictions
Key Concerns & Questions

1. Does HB2001 harm neighborhood character?
2. Does HB2001 undermine the land use planning system & local control?
3. Does allowing middle housing increase housing affordability?
4. Do local governments have a lack of infrastructure to accommodate middle housing?
5. Does HB2001 rezone neighborhoods without public input?
6. Will allowing middle housing reduce property values of existing homes?
7. Will allowing middle housing harm the environment?
Conclusion – it passed!

Which couldn't have happened without:
Cities >10,000:
Must allow duplex on any lot or parcel that allows a single-family residence.

Cities > 25,000
Same as smaller cities plus must allow triplex, fourplex, cottage cluster, and townhouse in areas zoned for single-family residence
“Medium cities” are all Oregon cities outside the Portland Metro boundary with a population between 10,000 and 25,000.
Requirements for “Large Cities”

“Large Cities” include all non-Portland Metro cities with a population of more than 25,000, unincorporated areas within the Metro boundary, and all cities within the Metro boundary with a population of more than 1,000.
Flexibility Allowed

The Middle Housing Bill enables both Medium and Large Cities to regulate siting and design of middle housing.

But can’t be designed to frustrate provisions of the statute.

Question regarding scope of “areas zoned” language for larger cities and Portland Metro area
Two versions of the model code will be required, one for Medium cities, and one for the “Large” cities.

The codes will be written such that local governments will be able to implement them directly.

If local government doesn’t adopt its own compliant code, the model code must be applied directly.
Infrastructure-Based Time Extension Requests

Acknowledges areas with infrastructure that is not adequate to serve additional units due to water, sewer, storm water, or transportation system constraints.

Will need to demonstrate and develop a plan of action.

Rulemaking will be key to defining and limiting such requests.
Technical Assistance Funds

HB 2001 allocates $3.5 million during 2019-2021 budget biennium for:

1. Middle housing codes, and

2. Infrastructure-based time extension requests
Rulemaking

With assistance of a rulemaking advisory committee

Middle housing rules and model code – small and large cities

Middle housing rules – what constitutes a “reasonable regulation relating to siting and design”

Model Code – “best practices,” designed to be applied directly if necessary

Infrastructure-based time extension requests

Time extension cannot be indefinite – rules will set outer limits for time.
Consultant Assistance is planned in the following areas:

- Rulemaking Advisory Committee Facilitation
- Model Code
- Infrastructure Extension Rules
- Middle Housing Code Technical Assistance
- Infrastructure Technical Assistance
HB 2001 - Other Provisions

- Owner-occupancy and on-site parking requirements not allowed for accessory dwelling units.

- State Building Codes Division to develop single family conversion standards.

- Prohibits new CC & R’s that prohibit middle housing types or accessory dwelling units.
Portland’s Residential Infill Project

*Updating the rules that shape our neighborhoods to better meet the needs of current and future Portlanders.*

Morgan Tracy, AICP Project Manager. Portland Bureau of Planning and Sustainability
Project origins and initial proposal

Project was initiated in response to:

- Demolitions and scale of infill
- Decreasing affordability and lack of housing diversity
- Meet other Comp Plan objectives
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Staff’s proposal:
1. Establish compatible scale
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Staff’s proposal:
1. Establish compatible scale
2. Provide for a small increase of allowed units
Project origins and staff’s initial proposal

Project was initiated in response to:

- Demolitions and scale of infill
- Decreasing affordability and lack of housing diversity
- Meet other Comp Plan objectives

Staff’s proposal:
1. Establish compatible scale
2. Provide for a small increase of allowed units
3. Allow these extra units in some places (near transit)
Results:

Staff proposal compared to current zoning

New Units: 2%
Demolitions: -22%
Avg Unit Cost: -35%
The Planning and Sustainability Commission responds...

Focused priorities:
- Equitable benefits and costs
- More housing options
- Less expensive options

<table>
<thead>
<tr>
<th>Generalized Project Goal</th>
<th>Commissioners Mentioned</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equitable benefits and costs</strong></td>
<td>13</td>
</tr>
<tr>
<td>Lower displacement</td>
<td>2</td>
</tr>
<tr>
<td>Increased home ownership</td>
<td>4</td>
</tr>
<tr>
<td><strong>More housing options</strong></td>
<td>24</td>
</tr>
<tr>
<td>Increased range of types</td>
<td>5</td>
</tr>
<tr>
<td>More locations</td>
<td>5</td>
</tr>
<tr>
<td>Internal conversions</td>
<td>5</td>
</tr>
<tr>
<td>Age friendly options</td>
<td>2</td>
</tr>
<tr>
<td><strong>Less expensive options</strong></td>
<td>10</td>
</tr>
<tr>
<td>Smaller units</td>
<td>2</td>
</tr>
<tr>
<td>More supply</td>
<td>2</td>
</tr>
<tr>
<td>Lower SDCs/costs</td>
<td>1</td>
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<tr>
<td><strong>Also mentioned:</strong></td>
<td>14</td>
</tr>
<tr>
<td>Urban canopy/open space</td>
<td>2</td>
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<tr>
<td>Flood/hazards protection</td>
<td>1</td>
</tr>
<tr>
<td>Context</td>
<td>2</td>
</tr>
<tr>
<td>Reduce 1:1 demolitions</td>
<td>3</td>
</tr>
<tr>
<td>Infrastructure adequacy</td>
<td>1</td>
</tr>
<tr>
<td>Public involvement/process</td>
<td>1</td>
</tr>
<tr>
<td>Code simplicity</td>
<td>3</td>
</tr>
<tr>
<td>Energy efficiency/climate goals</td>
<td>1</td>
</tr>
</tbody>
</table>
The Planning and Sustainability Commission responds...

Focused priorities:
- Equitable benefits and costs
- More housing options
- Less expensive options

PSC Recommendation:
1. Allow more units

![Additional ADUs, Duplex, Triplex, Fourplex]
The Planning and Sustainability Commission responds...

Focused priorities:
- Equitable benefits and costs
- More housing options
- Less expensive options

PSC Recommendation:
1. Allow more units
2. Pro-rate the scale to incent more units
The Planning and Sustainability Commission responds...

Focused priorities:
- Equitable benefits and costs
- More housing options
- Less expensive options

PSC Recommendation:
1. Allow more units
2. Pro-rate the scale to incent more units
3. Allow them in most places, except:
   - environmental zones
   - landslide/flood risk
   - unpaved streets
Assessing Displacement Risk

What: Assessment of direct impacts from zoning changes

Who: Low income renters in single family structures

Where: Both citywide and in higher vulnerability areas

When: Over 20-year planning period

Net change: -28% Citywide
           -21% Vulnerable areas
Results:

PSC recommendation compared to current zoning

New Units: 198%
Demolitions: 8%
Avg Unit Cost: -56%
Planning is about our future, now.

“The best time to build a fourplex was 20 years ago. The second best time is now.”
Messaging for Success
What we learned in three years of direct organizing and communicating about Middle Housing relegalization in Oregon

Madeline Kovacs, Sightline Institute
Making Room for Middle Housing | OAPA
November 8, 2019
Show, don’t just tell

A picture really is worth 1,000 words

Plain language is better than jargon

www.flickr.com/photos/sightline_middle_housing
Show, don’t just tell

Walking tours!

Often, neighborhoods built out with middle zoning retain greater income diversity
Could Oregon Become the First State to Ban Single-Family Zoning?

Rep. Tina Kotek (D-Portland), speaker of the Oregon House, is drafting legislation that would end single-family zoning in cities of 10,000 or more: "The state’s housing crisis requires a combination of bolder strategies."

- Willamette Week, December 14, 2018

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.

- Sightline Institute, January 11, 2019

Legalize It

The apartment has been banned in far too many places, deepening racial divides and driving up rents. Oregon is set to be the first state to fix that—and it won’t be the last.

- Slate, July 2, 2019
Begin with agreement: current rules aren’t working.

Available housing options are not meeting most people’s needs.

Someone needs a huge single-detached home … but not everyone.
My Portland Housing Story

When first moving to Portland, I could not find any apartments in my price range that had openings and had to wait months.

I now own a house (outer NE) but could not afford unless I rented out the 3 other bedrooms in my home.

www.portlandforeveryone.org

a project of 1000 Friends of Oregon
Focus on values, not “project feasibility”
When in doubt just ask: WWMRD?
Work closely with affordable housing builders & providers

On policy

In meetings with decision makers
Are there additional community benefits?

Who is the best messenger?

Demonstrate broad, deep & diverse support
Be up front about zoning reform’s limitations ... and the additional tools we need

Portland’s middle housing anti-displacement report: https://www.portlandoregon.gov/bps/article/738846
Middle Housing talking points memo:

Making Room for Frontline Communities in Middle Housing
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✓ Lead with a conversation about race
✓ Seek intended outcomes
✓ Support a broader spectrum of solutions
✓ Mind your bedfellows
✓ Recognize carrots don’t work if you aren’t hungry
Lead with a conversation about race

Minneapolis Confronts Its History of Housing Segregation

By doing away with single-family zoning, the city takes on high rent, long commutes, and racism in real estate in one fell swoop.

By HENRY GRABAR

DEC 07, 2018 • 4:48 PM
Lead with a conversation about race
Lead with a conversation about race
Lead with a conversation about race

Beacon Hill Times

Councilor Edwards Urges City to Prioritize Fair Housing in City Planning

by Beacon Hill Times Staff • October 19, 2019 • 0 Comments


“Planning for Fair Housing,” authored by Rappaport Fellow Qainat Khan on behalf of Councilor’s office, highlights the historic and discriminatory impacts of planning and use regulation in Boston, tracing changes in the West End, South End, struggles of Boston’s Chinatown and the more contemporary development of the Seaport. In the report also identifies strategies the city can adopt to promote housing and equal opportunities for all residents, including with current planning at Suffolk Downs.

Planning for Fair Housing
Addressing fair housing and civil rights through planning and...
Making Room for Frontline Communities in Middle Housing

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Unintended Consequences
Intended Outcomes
Seek intended outcomes
Seek intended outcomes

<table>
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<tr>
<th>Displacement Category</th>
<th>Number of Tracts</th>
<th>Number of Households Affected</th>
<th>Citywide Households Affected</th>
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</thead>
<tbody>
<tr>
<td>Medium displacement decrease (-30 to -6)</td>
<td>26</td>
<td>-157</td>
<td></td>
</tr>
<tr>
<td>Low displacement decrease (-5 to 0)</td>
<td>3</td>
<td></td>
<td>-157</td>
</tr>
<tr>
<td>Low displacement increase (0-5)</td>
<td>11</td>
<td>73</td>
<td></td>
</tr>
<tr>
<td>Medium displacement increase (6-25)</td>
<td>4</td>
<td></td>
<td>-257</td>
</tr>
<tr>
<td>TOTAL</td>
<td>42</td>
<td>-84</td>
<td>-257</td>
</tr>
</tbody>
</table>
Seek intended outcomes

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<thead>
<tr>
<th>Displacement Type</th>
<th>Number of tracts with higher shares of persons of color</th>
<th>Number of households affected</th>
<th>White household affected</th>
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✓ Mind your bedfellows
✓ Recognize carrots don’t work if you aren’t hungry
Support a broader spectrum of solutions

Mind your bedfellows
SB 827 is not the answer. Advancing equitable development is.
NIMBY
TOGETHER WE MAKE A NEIGHBORHOOD
Yes If I Can Keep My Backyard
Support a broader spectrum of solutions

Recognize carrots don’t work if you aren’t hungry
West Linn isn't taking this well.

By Nigel Jaquiss | Published November 6 at 5:44 AM | Updated November 6 at 5:44 AM

The temperature is rising around House Bill 2001, the landmark housing law that passed on the final day of the 2019 legislative session.

The law will effectively end single-family zoning in most Oregon cities and allow the development of duplexes and townhouses where now only single-family homes are allowed. The idea is to promote the development of more and cheaper housing.
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