

Claudia Cisneros

From: Laura Terway
Sent: Monday, April 1, 2019 4:43 PM
To: Claudia Cisneros
Cc: Pete Walter
Subject: FW: Alley-Loaded Housing - For the Public Record
Attachments: 20190323_160257_resized.jpg; 20190323_160219_resized.jpg; Property Rights - Bulletin Editorial 2019-03-24_1.pdf

Claudia,
Please forward to the City Commission. Thanks

From: Nick Veroske <nick@willamette-equities.com>
Sent: Monday, April 1, 2019 4:25 PM
To: Dan Holladay <dholladay@orccity.org>; Pete Walter <pwalter@orccity.org>; Laura Terway <lterway@orccity.org>
Cc: kntzig001@aol.com; 'Darren Gusdorf' <darren@iconconstruction.net>
Subject: Alley-Loaded Housing - For the Public Record

Mayor Holladay, Laura and Pete:

I submit the following in advance of the Oregon City Commission meeting this Wednesday, April 3, and entry into the public record. Unfortunately, I am unable to attend the hearing in person, Therefore, I have asked Kent Zigler, or his designee, to read the following at the hearing so that those in attendance can have the benefit of my experience and views.

I have been a small developer of workforce housing over the years. Although small, you don't need much experience to learn a lot about what buyers need, want and can afford. It has come to my attention that the City is contemplating adoption of at least two policies that fly in the face of affordability and our Governor's Housing Policy Agenda. Those policies are the dictation of housing style and the elimination of street-facing garages.

With respect to housing style:

BUYERS, not municipalities, will decide what style of home they wish to purchase. It is the job of builders to adapt their product styles to meet the needs and wants of buyers. Oregon City, like so many other communities, is suffering from a SEVERE HOUSING SHORTAGE. Any actions by the City to dictate style harms the ability of builders to adapt and to provide housing to fill the existing shortage. If a city tries to dictate a housing style that buyers do not want, homes won't be built. One of the effects of this is that developable residential land near employment centers such as Oregon City envisions for its Beavercreek Concept Plan, will not see housing constructed near their place of employment. This means that workers must live farther away from their jobs, contributing to congestion of the transportation systems, air pollution, unnecessary consumption of fossil fuels, global warming (if you follow that theory), increased commute to/from jobs and less time that parents spend with their families and children. Are these the results that Oregon City wants to promote?

With respect to Alley-Loaded Housing:

What the City is trying to do is counter to all common sense and logic with respect to the following criteria:

1. Governor's Housing Agenda: The policies are counter to providing affordable housing, more housing, and more density.
2. Environmental Impact: Alley-loaded housing requires more impervious surfaces that are created by paving. Asphalt must be manufactured (consumes oil and other natural resources). It must have a layer of rock. All must be transported to the site consuming fossil fuels and contributing to carbon generation and warming. Wear and tear on trucks means more tires, petro-chemicals for fluids, etc., thus more costs and more consumption of resources to repair or replace equipment.
3. Livability: Alleys force garages into what otherwise would be back yards. Think of all the things you use your back yards for that you would not be able to do. Fun with your kids and family. A safe place for your young children to get outside and play. Gatherings with friends for back yard BBQs and events. Gardening, including raising vegetables and fruits for your joy as well as consumption. Home buyers for whom these activities are important would simply not purchase a home without a back yard.
4. Connectivity: At least in my neighborhood, socializing occurs in driveways and often around cars. Much of this is lost when drivers are forced into alleys.
5. Affordability: Alley loaded housing requires, in addition to the cost of asphalt and rock and the equipment and labor to put it in place, additional drainage for the impervious surface runoff. Storm lines, storm grates, storm water runoff treatment in bio-swales, and additional storm water detention all consume more land that could otherwise support housing. All add costs and reduce the potential for a development to produce revenue, thus prices must be raised – all an attack on affordability.
6. Aesthetics (goes to Desirability and Safety): I have attached a couple photos of a townhome development near me in the Bethany area. These factors are apparent as you look at the photos:
 - a. In addition to the items I mentioned in "Affordability", you can see the additional curbs and sidewalks needed. Essentially, you have to construct an entire additional street to serve ONLY the garages. In non-alley developments, the streets serve traffic circulation, garage access, bicycles, play areas for kids (in quiet streets which most neighborhood streets are), basket ball games, etc. None of those activities typically occur in alleys. That means you have to construct a completely single-purpose street at tremendous expense.
 - b. Affordability is then created by smaller homes and density. Smaller homes often mean that garages are typically used for storage. Thus, people tend to park on the street. This creates a hazard for emergency vehicle access, especially for fire response. (Maybe the fire department should weigh in on alleys!) In a non-alley subdivision, the cars would be in driveways, keeping the streets generally clear for typical traffic circulation and emergency vehicles.
 - c. You will also notice that the land on which alley-loaded housing is developed is basically flat. You cannot create alley-loaded housing on sloped topography. An engineer could tell you how much additional area would be consumed by alleys and access in order to create a driveway of safe slope in order to access a below- or above-grade garage. An engineer or builder could also tell you how structure heights would be affected on the uphill side of an alley on sloped topography. Again, maybe the fire marshall could weigh in on this matter. Might access restrictions cause mandatory sprinkler suppression systems on the taller buildings, adding even more to costs? (Let's not forget the storm runoff into a below-grade garage.)

After a previous hearing on these issues, I had heard that one of the Commissioners had commented, regarding testimony, something to the effect of "Well, that's just a developer talking". Who would have more knowledge of the impact of such a policy than those experienced in SUCCESSFULLY providing housing the market wants and can afford?

Also, please see the attached editorial from the Bend Bulletin, "Attacking property rights won't make housing more affordable".

Thank you for your consideration of my comments.

Respectfully yours,

Nick Veroske

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Attacking property rights won't make housing more affordable

Fifteen years ago in November, Oregon voters stunned the state's political establishment by approving Measure 37. The measure, which passed by an overwhelming margin, was a populist backlash against the unfair transaction thought to be at the heart of Oregon's vaunted land use system.

That transaction involved land owners surrendering their right to develop their property in exchange for the "greater good" in the form of compact urban development and protected farm- and forestland. Not surprisingly, many of the people who owned that farm- and forestland didn't want to be "protected" against the possibility of making money by developing it. That's why some people bought land in the first place.

In the fall of 2004, voters said they recognized the injustice. Measure 37 allowed people to seek compensation from state and local government for regulations that decreased their property value. And if the government in question decided not to

cough up the cash, property owners could develop under rules in place when they bought their land.

While impressive as a gesture of support for fair treatment, Measure 37 was a mess as public policy. The Legislature rendered it largely toothless by referring Measure 49 successfully to the ballot in 2007.

Revisiting Measure 37 makes for an interesting trip down memory lane, but more importantly, it addresses a question that's worth asking today: How long is the memory of the average legislator?

Answer: less than 15 years.

To watch lawmakers take landlords to the woodshed this year is to recognize that they've learned little, if anything, in the decade and a half since Oregon's voters said "enough."

Oregon's land use laws limit the supply of buildable land and, thus, enhance its value. Costly land exacerbates the affordability problem lawmakers are trying to address this session with a slew of bills aimed at the rental industry. The most signif-

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icant, Senate Bill 608, imposes statewide rent control while making eviction more difficult. Others include House Bill 2764, which would affect the ability of landlords to request information about applicants' criminal histories; and House Bill 2683, which would bar landlords from charging tenants extra for having pets.

Not all of these bills will become law, but they echo the coercive transaction that turned so many Oregonians into Measure 37 supporters. In service of the "greater good" in the form of lower rents available to more tenants, thousands of people are expected to surrender control of their property: what to charge for its use, how to minimize the risk they incur by renting it, and so on.

No one should expect a populist eruption in support of landlords be-

cause, well, they're not very popular. But regulatory takings for which property owners aren't compensated do create consequences beyond ill-advised ballot measures. The most obvious in this case is a shortage of the very thing lawmakers want, affordable rentals. Given what lawmakers have done already and what they seem likely to do in the years to come, who in their right mind would get into the rental business at all?

Only in the Oregon Legislature, meanwhile, would it seem like a good idea to solve a problem by repeating its root cause. Land is expensive here, in large part, because lawmakers limited the ability of many landowners to develop. And because land is expensive, so are rentals, a problem lawmakers think they can fix by ... hacking away at the property rights of landlords.

Does anyone really think this is going to work?

Assuming the Legislature is run someday by people who are serious about addressing Oregon's housing-affordability problem, it's hard to

see how they'll succeed without confronting what is, in some quarters, the state's holy of holies: its land use system. The surest way to moderate housing costs is to relax land use restrictions. Lawmakers have made tiny steps in that direction, including the creation of an affordable-housing pilot program that will allow Bend to develop in a small area outside of its urban growth boundary. But such limited programs are not nearly enough to make a significant difference.

Relaxing Oregon's stranglehold on growth will have consequences, not all of them good. Increased growth will require the use of land that is so attractively protected, and the end result is sure to be less scenic.

If nothing else, it would be refreshing to see lawmakers move beyond non-solutions such as rent control and discuss openly whether they value the state's attractiveness or its affordability more, and to what degree. In the absence of such a discussion, affordability will continue to suffer.

—Erik Lukens is editor of *The Bulletin*.