

August 21, 2018

TO: Hood River Planning Commission
From: Tracey Tomashpol

This is testimony that I did not make on the evening of August 20, although present from 5:30pm to 8pm. Per Arthur's remarks, I'm able to submit written testimony, and that's what I've written below.

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I agree with a number of the other speakers about the need to update the A, B, and C proposals to take into account the change in population projections.

I also concur with speakers Susan Crowley, and Pete (lives on Montello), and Susan Sarney, that increasing density of housing, which is the basis of the plans A, B, and C with the addition of an R2A zoning designation, will do nothing to increase affordability.

Christy Chapman and others in attendance questioned the stated vision of the Hood River City Council, which has taken a position that "If you work in Hood River, you should be able to live in Hood River." To me, this position seems fundamentally flawed and quite the opposite of the experience of most municipalities that are not entirely isolated from other communities (ie. no other towns within 100 miles). Some examples:

- In Sandy, OR (which was cited as an example of a small community with building and zoning codes we should consider copying) only 18.7% of Sandy residents work in Sandy. That means 81.3% of residents commute to work. 18.9% commute to either Gresham or Portland, according to official information from the City of Sandy website. The average commute time of Sandy residents is 31 minutes. It doesn't sound to me like Sandy's zoning has done anything to change the patterns people engage in as they make life decisions about home and work.

- In 2012, a report showed that 31,000 Salem area residents commute daily to Portland. (2012; https://www.oregonlive.com/pacific-northwest-news/index.ssf/2012/04/northwest_news_more_people_com.html) Again, about 18% of Salem's residents worked in Portland. People do not always live in the communities where they work, nor is that necessarily a desirable goal.

- Plenty of other urban centers recognize that an individual city often attracts people to work in a community for one reason (ie. the presence of work that they are qualified for and interested in), but to live elsewhere (for a variety of reasons, including affordability of housing, preference for schools, location of other family members and/or their work locations, etc.).

So choosing to focus on Hood River as though it exists in a vacuum and then creating an entire 20-year plan that attempts to address all the community's housing needs through zoning changes seems short-sighted and also at deep odds with reality – including reality in Sandy, Portland, and Salem (not to mention every other urban area in America).

Regional Focus

It would be more sensible to consider the region around Hood River as a larger entity, considering overall housing availability and zoning in those areas, when we discuss a Housing Needs Analysis. Communities that could and should house people who physically work in Hood River include Cascade Locks, Mosier, The Dalles, Bingen, White Salmon, Underwood, Lyle, Odell, and Parkdale, at a minimum. Also, unless land use within Federal and state forest and park lands, and the Columbia Gorge Scenic Area changes, we will always have a constraint on available land, which under market forces will continue to be increasingly expensive. Things that are scarce are costly.

The cost of land and its scarcity within the environs of Hood River means that proposals to reduce lot density will likely only result in more homes built on smaller lots, but that are only “relatively” affordable (something that Dustin suggested was acceptable). Better transportation choices for people who live further away could help some “cost burdened” workers. In other cases, better jobs – in technology and other sectors that pay well and don't do much to burden the environment - provide a better means of creating the means for people to afford different levels of housing.

Examples of Why R2A and Density Won't Create Real Affordability

Susan Sarney suggested that commissioners and others take a look at the homes on Goose Way as an example of what small lot sizes look like once they're built out. I'll add to what she said, because that street and its homes are a good example of why density will likely create more visually unappealing areas, and even potentially unsafe ones.

- The street is short and simply dead ends. It's unconnected to any parks, green spaces, or walkways. Parking seems deeply inadequate since so many people have vehicles that are parked on the side of the narrow street that once you enter the street, it's tricky to even turn around.
- These homes were built in 2017, so presumably the zoning and look of the area was approved by the city leadership that was still considering the entire Westside concept plan and ideas about a cohesive land use policy encompassing green space, parks, bike and walkways. But if those homes represent what we will get from the R2A zoning and even R3 zoning, it's not at all about affordability except in the most relative way:
 - o Per publicly available info online, these 8 homes sold for around \$397,000 each. Lots are described as 3,485 square feet with an

attached garage and 2 parking spaces. The actual homes range from 1,626 sq feet to 1,945 sq feet. While these ARE great “starter” homes for many people, or even a good retirement size home for an “empty nester” or individual, the annual income required to purchase these homes would still put them into “High” range of Median Family Income (MFI) shown in the planning document from August 20 (file 2018-07).

- The zoning on Goose Way provides 8 dense homes, with a street that (as cars are now parked on it) could not accommodate a fire truck; at prices that are in the highest range shown on the August 20th File 2018-07, from the 2015-2035 Housing Needs Analysis.
- Since the total cost of any individual dwelling is a combination of the cost to purchase the land, all permitting and other costs including taxes and fees, construction, etc. if we continue to use Goose Way as an example, all the future proposed land use zoning changes are likely to accomplish is to permit developers to put up more homes on smaller lots, while their other costs remain high due to the high cost of land. At Goose Way, the developer and home builders were able to sell 8 homes on about 28,000 sq feet of property (about ½ an acre), instead of 3 or 4 homes, with gross sales of an estimated \$3.03 million. If they’d had to have the land zoned for a much less dense development, the houses would have been much more expensive individually, but overall developer profits likely much less (fewer amenities to upcharge, fewer loan originations ,etc.).

Another example of “Density Doesn’t Mean Affordability’ claims can be found at 707 Oak Street. The Cascadia townhomes at 707 Oak Street are priced at \$989,000 each, with lot sizes maxing out at 2999 square feet.

Based on prices shown on Realtor.com, land remains expensive here (because of constraints I already mentioned). If the city provides zoning that allows for density in the Westside, it will not change the underlying cost of the land but will increase the profits for developers. And if developers are forced to provide “affordable” housing (let’s say, houses that can be purchased for \$90K to \$120K), they will increase the costs of their remaining units to fund that “affordability,” thus further squeezing other buyers.

A final example of the high land costs that won’t be addressed by the Land Use proposals or concept plans cost is the current listing on Realtor.com for 7.1 acres at 780 Rand Road. The listed price is \$2 million. The land cost won’t change much under the proposed land use zoning (barring some major economic crisis), but developer profits will be substantially higher with denser units produced.

Finally, as a number of speakers pointed out, the density proposed in the current A, B, and C schemes proposed by the Portland-based consultants have other flaws that

aren't addressed in this particular land use segment (or in financial planning for the city). Some of those problems include:

- Infrastructure for current town is inadequate in a number of ways (see comments by Pete / Montello home owner)
- The city's ability to buy the land for the parks that the concept plan describes is constrained by budget. If we require the developers to set aside land for the parks and use the Rand Road listing as a base (i.e. about \$286,000 per acre), when developers "give up" around 3 acres (Jackson Park is 2.5 acres), their costs would increase by that requirement to the tune of \$858,000 ... a cost that would be passed on to the home buyers of the homes they build. That pass-on of costs actually contributes to less "affordability" on the homes that the builder then produces.

If the city instead proposes to buy land now and hold it in trust for the future parks and the 20 -year development of the Westside, then I suggest they begin to do that promptly. The land is going fast, and the costs aren't going down.

Final Comments

- Land Use Framework shown on August 20, 2018 (File 2018-07)
 - o The vision of housing options for "all income levels" is likely flawed without city, county, and state housing subsidies. Housing subsidies reward states that have the heaviest zoning regulations. If Dustin's suggestion that all the town needs to do is have "relatively" affordable units, we could likely achieve cost reductions to developers by reducing all other fees and costs of doing business, while not creating upzoned lots throughout the Westside.
 - o Hood River should not be doing this kind of housing planning in isolation, as though people who work here can only have their housing needs met here. The State's requirement for individual municipalities to address housing by individual municipalities is flawed, unrealistic, and costly in many ways. Our housing needs analysis should encompass the Gorge communities including Cascade Locks, Mosier, The Dalles, Lyle, Bingen, White Salmon, Odell, etc.
 - o Yes, it's vital to have a plan so development isn't random. The desire for parks, bike paths, walkways, and connections between neighborhoods, and from neighborhoods to commercial areas, is positive. Some of the vision suggesting we retain our scenic beauty and livability is also positive. But enough flaws exist and changes have occurred that additional zoning plans are needed.
 - o The 2015 residential buildable land inventory is likely outdated given all the recent years' development, including projects mentioned by Susan Sarney. On Realtor.com, there are easily 20+ acres of land

showing up for sale right now, including a 7.2 acre lot listed for \$2million on Rand Rd. Our inventory of buildable land has likely shrunk already from that report.

The “base case” (i.e. existing situation) in the Westside plan reflects the market. Although the market will not make Hood River affordable for people at the lowest levels of median family income, there are communities within the entire Gorge region that will have more affordable housing. Better transportation if needed to Hood River, better investment in education so graduates can make better incomes, and better use of commercial/residential mixed use (ie. commercial on first floor, housing units above), are better angles and directions than the current A, B, or C versions of the plan.

Respectfully submitted,

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