



Bureau of Planning and Sustainability
Innovation. Collaboration. Practical Solutions.

Introduction to Design Overlay

What is the design overlay zone?

To understand the design overlay zone, it is helpful to take a step back and visualize where it sits in the structure of Portland's Zoning Code. All sites in the city have a **base zone**. A base zone sets parameters about allowed uses and limits on building height and buildable floor area, among other provisions. Commercial, single-dwelling residential and industrial are broad categories of Portland's base zones, for example. In addition to a base zone, some sites are subject to overlay zones and plan districts. **Plan districts** consist of regulations that have been tailored to a **specific area** of the City, such as the Central City, Hollywood/Sandy or St. Johns. **Overlay zones** consist of regulations that address **specific subjects that may be applicable in a variety of areas** in the City. Examples include the environmental overlay, historic resource protection overlay and the **design overlay zone**. Both overlay zones and plan districts are applied in conjunction with a base zone, and they modify the regulations of the base zone.



Figure 1. Basic structure of Portland zoning.

The current **purpose** of the design overlay zone is the following:

- The Design Overlay Zone promotes the conservation, enhancement, and continued vitality of areas of the City with special scenic, architectural, or cultural value.
- The Design Overlay Zone also promotes quality high-density development adjacent to transit facilities.

This is achieved through the creation of design districts and applying the Design Overlay Zone as part of community planning projects, development of design guidelines for each district, and by requiring design review or compliance with the Community Design Standards. In addition, design review or compliance with the Community Design Standards ensures that certain types of infill development will be compatible with the neighborhood and enhance the area.



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1900 SW 4th Avenue, Suite 7100, Portland, OR 97201 | phone: 503-823-7700 | fax: 503-823-7800 | tty: 503-823-6868

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The purpose statement has evolved over the last few decades from a tool that focuses on preservation and compatibility toward a tool that supports and anticipates areas of high growth. In the 2000s, the second sentence added “promotes quality high-density development adjacent to transit facilities” with the Gateway Plan to acknowledge its “transition from a low-density, automobile-oriented area to a high density, pedestrian-oriented community.”

More recently, this logic of applying the design overlay zone to areas of growth and transition resulted in the expansion of the d-overlay into Portland’s centers and corridors as part of the Bureau of Planning and Sustainability’s Mixed Use Zones Project.

Where is design overlay applied?

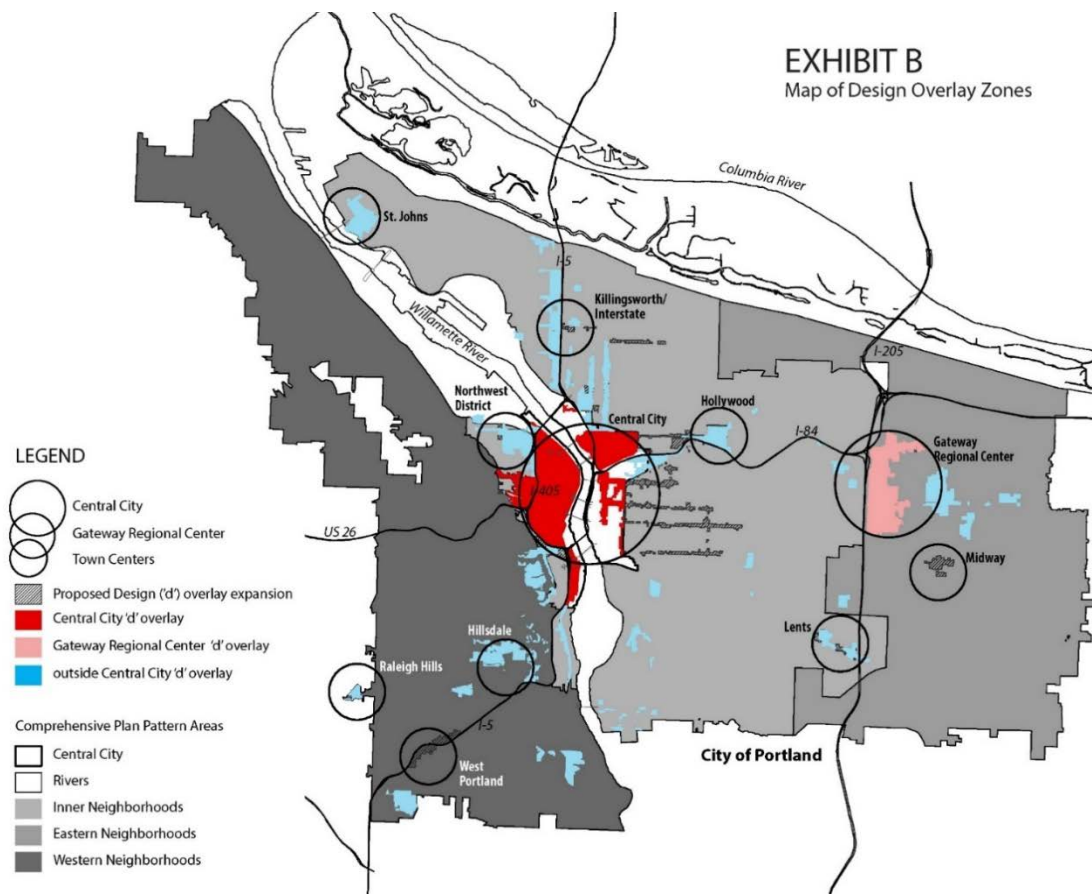


Figure 2. Design Overlay Zones map.

The map above shows both the current and proposed d-overlay zones in Portland along with the Comprehensive Plan’s identified centers. Portland’s Central City is the largest circle. The red area on the map shows that the design overlay zone covers the entire center except for industrially zoned sites.

The second-largest circle is Portland's designated regional center: Gateway Plan District. Both the Central City and Gateway are required to use a discretionary design review process, discussed below.

Town Centers are also circled. Expansion of the design overlay zone, shown as hatched areas, was proposed as an acknowledgement that many of Portland's town centers and corridors were not covered by design overlay. Because the city's growth strategy is to grow by 80 percent within its centers and corridors, these areas are "expected to see the greatest amount of development and change, and warrant additional design oversight." (BPS Mixed Use Zones Project) In addition to centers, inner corridors were included within the expansion.

To illustrate how much of the city's mixed use zones are covered by design overlay zones, this pie chart shows the mixed-use areas outside of the Central City and Gateway. It shows the proportions of acreage currently within d-overlay, within the proposed expansion of the d-overlay, and acreage not affected by d-overlay.

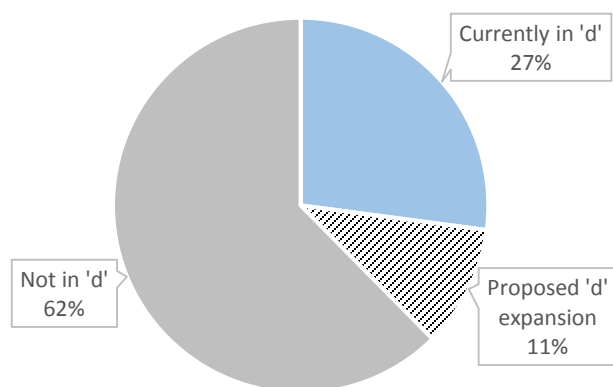


Figure 3. Portland's Mixed Use Zones, outside of the Central City and Gateway.

Design Overlay Process

Oregon state law requires a clear and objective track if a project provides needed housing within design overlay zones outside of designated regional centers. For the City of Portland, this results in a **two-track system** for the areas

outside of the Central City and Gateway – one track is **discretionary** and the other track is non-discretionary, or **clear and objective**. Projects outside of the Central City and Gateway may choose to go through a discretionary process if they do not wish to meet or if they do not meet the clear and objective standards.

The discretionary review may require a **Type III Land Use review**, which results in a hearing with the **Design Commission** if certain thresholds are met, usually based on valuation of the project and geographic area. Most of the Type III design reviews occur in the Central City. In other cases, mostly smaller projects, the discretionary review is a **Type II Land Use review**, where the **review body is staff** assigned to the project. Discretionary review uses **design guidelines**.

The clear and objective track uses the **Community Design Standards** found in Portland's Zoning Code. The process is done as part of a residential or commercial building permit.

The table below gives a quick breakdown of the differences:

Discretionary	Clear and Objective
<ul style="list-style-type: none"> • Subjective; Requires judgement; flexibility • Land Use Review • Design Guidelines • Public Comment and potential Hearing with Design Commission • Required in Central City and Gateway 	<ul style="list-style-type: none"> ▪ Objective; Does not require judgement; limits flexibility ▪ Building Permit ▪ Design Standards in Code ▪ Limited public involvement ▪ Potential option everywhere else

Figure 4. Discretionary vs. clear and objective track.

Design Overlay Tools

Design Guidelines

The **discretionary** design review track uses **design guidelines**, which are documents separate from the Zoning Code. Design guidelines are qualitative approval criteria that state broader concepts than the development standards found in the Zoning Code because they are meant to provide more flexibility in how they are met. During the design review process, the review body, whether it is staff (Type II Land Use Review) or Design Commission (Type III Land Use Review) must find that the proposal meets each of the applicable design guidelines.

Projects in the **Central City** are subject to the **Central City Fundamental Design Guidelines** as well as, if applicable, district-specific review criteria, as shown in the table:

Location	Central City Fundamental Design Guidelines	District-Specific Design Guidelines	Date last updated
Downtown			
River District			2008
Lower Albina			
Lloyd District			1991
Central Eastside			1991
South Waterfront			2010
University District			
Goose Hollow			1996
Yamhill Historic District			1987
Skidmore/Old Town Historic District			1987
New China/Japantown Historic District			
NW 13th Avenue Historic District			1996
Russell Street Conservation District		*	
Grand Avenue Historic District			1994

* Community Design Guidelines apply

Figure 5. Design review criteria in the Central City.

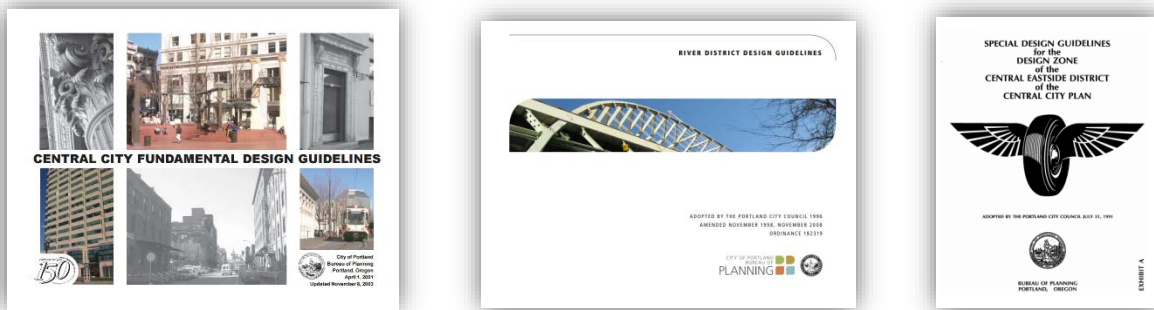


Figure 6. Central City Fundamental Design Guidelines (left) and two examples of subdistrict design guidelines: River District Design Guidelines (middle), Central Eastside Design Guidelines (right).

Projects in **Gateway** are subject to the **Gateway Design Guidelines**. Projects **outside of the Central City or Gateway**, unless they have their own special district guidelines, are subject to the **Community Design Guidelines**.



Figure 7. Gateway Design Guidelines cover (left) and Community Design Guidelines (right).

Design Standards

The Community Design Standards, found in Portland's Zoning Code 33.218, are prescriptive criteria for the clear and objective track. They do not use discretion, nor do they require a separate process. This additional set of specific design standards must be met. Projects that cannot meet these standards must go through discretionary review.

Recent projects in the d-overlay

The table on page 6 illustrates the number of permits for commercial/multi-dwelling projects within design overlay zones that went through either a discretionary design review or used the design standards found in Portland's zoning code. Commercial Occupancy (CO) permits are required for triplexes, apartments, condominiums, townhouse developments with 3+ attached units and commercial projects. This analysis does not include permits issued to historic landmarks or projects in historic districts.

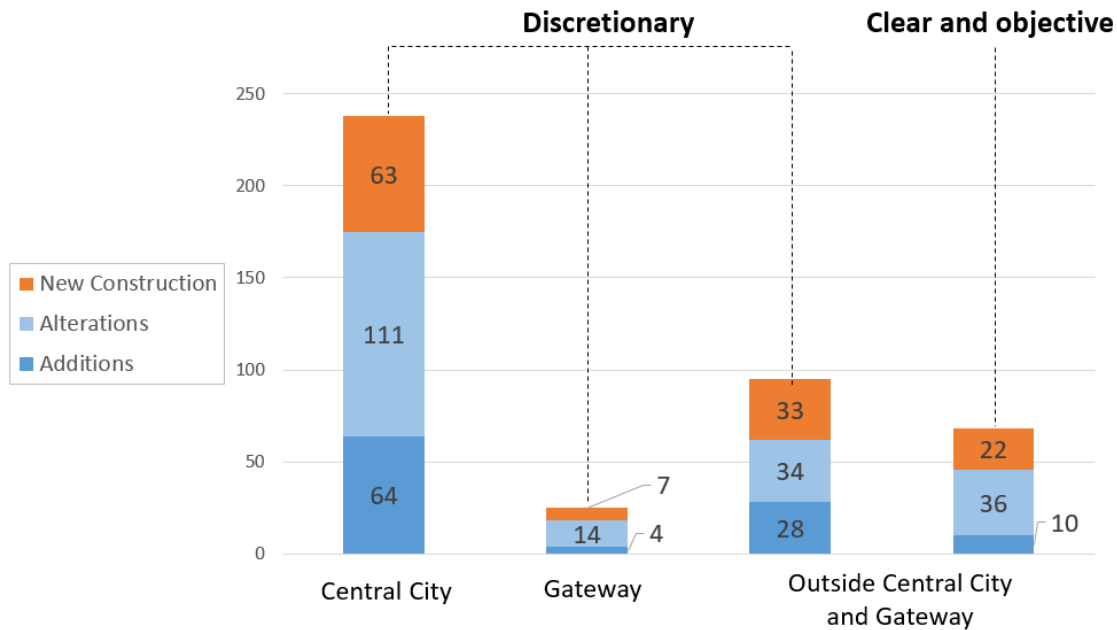


Figure 6. CO permits in the design overlay zones from 2013-2015.

Overall, 1,545 CO permits were issued in the d-overlay from 2013 to 2015. Of the 358 projects citywide that underwent discretionary design review, a majority of these were located in the Central City. Few projects took place in Gateway over the same period of time. Outside the Central City and Gateway, 68 projects (44 percent) used the Community Design Standards rather than design review.

The chart also shows that new construction (in orange) comprises a smaller percentage of all CO permits compared with alterations and additions combined, citywide. In the Central City, almost half of the projects are alterations (46 percent).

IMPACT STATEMENT

Legislation title: Accept the Portland Design Commission 2017 State of the City Design Report (Report)

Contact name: Tim Heron, BDS Senior City Planner (tim.heron@portlandoregon.gov)

Contact phone: 503-823-7726

Presenter name: David Wark, Portland Design Commission Chair

Purpose of proposed legislation and background information:

The report is required by Portland City Code [Title 33] to fulfill the Annual Report requirement for its actions and accomplishments for each fiscal year.

Financial and budgetary impacts:

The report is required by Portland City Code [Title 33] to fulfill the Annual Report requirement for its actions and accomplishments for each fiscal year, so no revenue or budgetary impacts will be incurred.

Community impacts and community involvement:

- The annual report was discussed at Portland Design Commission briefings which were open to the public-at-large and to those with various professional backgrounds.
- As this annual report was vetted in public meetings, public involvement helped shape the report.

Budgetary Impact Worksheet

Does this action change appropriations?

☐ **YES:** Please complete the information below.

☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount