

PSC Questions and Staff Responses – Better Housing by Design Proposed Draft

September 20, 2018

PSC Question	Staff Response												
<p>1 Historic district bonuses. Interested in differences between how bonuses and height are regulated in historic districts inside and outside the Central City.</p> <p>Percentage of Multi-Dwelling Zoning Located in Historic or Conservation Districts</p> <table border="1" data-bbox="268 824 709 1144"> <thead> <tr> <th>Zone</th> <th>% and Acres</th> </tr> </thead> <tbody> <tr> <td>RM1</td> <td>2% (70 acres)</td> </tr> <tr> <td>RM2</td> <td>5% (69 acres)</td> </tr> <tr> <td>RM3</td> <td>13% (35 acres)</td> </tr> <tr> <td>RM4</td> <td>41% (55 acres)</td> </tr> <tr> <td>Total</td> <td>4% (229 acres)*</td> </tr> </tbody> </table> <p>*More than 60% of multi-dwelling acreage is in the RM1 zone</p> <p>Also see Multi-Dwelling Zones and Historic Districts Maps</p>	Zone	% and Acres	RM1	2% (70 acres)	RM2	5% (69 acres)	RM3	13% (35 acres)	RM4	41% (55 acres)	Total	4% (229 acres)*	<p>Regulations for bonus FAR and height in Historic and Conservation districts, inside and outside the Central City:</p> <ol style="list-style-type: none"> Central City Plan District FAR: Additional FAR through bonuses and transfers is allowed. Height: No bonus height. Commercial/Mixed Use Zones FAR: No additional FAR through bonuses or transfers is allowed. Height: No bonus height. Multi-Dwelling Zones (BHD proposal) FAR: Additional FAR for inclusionary housing and moderate-income 3-bedroom units is allowed. No FAR transfers are allowed into historic/conservation districts. Height: No bonus height. Through a similar rationale, the BHD proposal would not allow for 100' building height in the RM4 zone in historic/conservation districts (would be limited to the standard RM4 height of 75'). Special bonus for deeper housing affordability: Not available in historic/conservation districts. This bonus provides 100% additional FAR and 10' of additional height (in most cases, this additional FAR is not possible without allowing for additional height).
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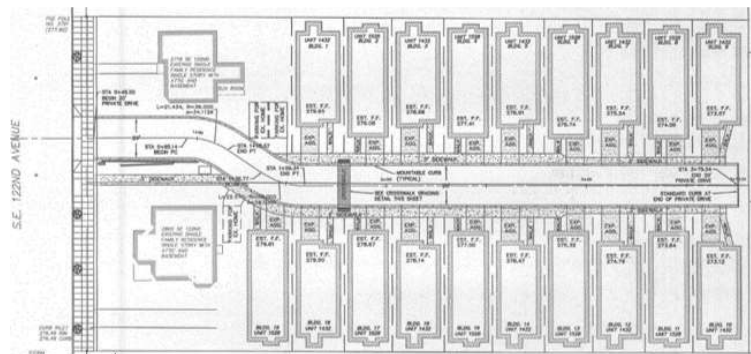
2	<p>3-bedroom bonus. Since such bonuses were rarely used in the Central City, is the 3-bedroom bonus likely to be used in the multi-dwelling zones elsewhere?</p>	<p>The regulatory context and housing markets are very different between the high-rise residential areas of the Central City and low-rise multi-dwelling zones in other areas.</p> <p>Central City. The Central City plan district provided a bonus for all types of residential development which typically provided an additional FAR of 3 to 1. This residential bonus FAR combined with the relatively generous base FARs left little reason to seek additional FAR through the multi-bedroom bonuses (few projects were fully utilizing the base plus residential bonus FAR allowances). Also, these bonuses were applied to only a few targeted areas (West End, South Waterfront, and North Pearl – only three projects used these bonuses).</p> <p>Multi-dwelling zones outside the Central City. Among the key differences between the Central City and the multi-dwelling zones in other areas of Portland are:</p> <ul style="list-style-type: none"> • The low-rise RM1 and RM2 zones (current R3, R2, R1) comprise 90% of the city’s 5,000+ acres of multi-dwelling zoning. • Multi-bedroom housing types (townhouses, attached houses, duplexes, etc.) are an established, common, and market-proven (see EPS analysis) part of the housing mix in the low-rise zones. • The proposed base FARs are set much lower in the citywide multi-dwelling zones than in the Central City, making it relatively more attractive to seek additional FAR through a 3-bedroom bonus. For example, with the proposed 1 to 1 base FAR in the RM1 zone, a 10,000 square foot site could accommodate eight units that are each a maximum of 1,250 square feet in size. Units larger than this are often desired for family-sized units. • Affordable housing providers have indicated that a moderate-income 3-bedroom bonus would be helpful to accommodate their family housing projects, including ownership projects. These providers have indicated that the inclusionary housing bonuses often do not work well for their ownership housing projects (which often feature multiple bedrooms), and that the shorter term of the moderate income 3-bedroom bonus (10 years) would work better for their ownership housing projects (compared to the 99-year term for inclusionary housing). • The existing 3-bedroom bonus was one of the more commonly used bonuses in the multi-dwelling zones (over half of 28 projects that recently used amenity bonuses used the 3-bedroom bonus). A difference is that the proposed 3-bedroom bonus will be limited to projects affordable at 100% of median family income (the current bonus has no income limits), but this will be the only available bonus besides the inclusionary housing bonus.
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3	<p>RM1 development allowances compared to current R2 zone. Interested in testimony that the RM1 proposal is reducing scale/development allowances from current R2 zone.</p>	<p>Testimony was received (Muggenburg, June 21, 2018) that stated opposition to the proposed 1 to 1 FAR for the RM1 zone, as this was perceived as a reduction from current development entitlements of the R2 zone. The testimony related that the current development entitlement amounted to an effective FAR of 2 to 1, since the R2 zone allows a maximum building height of 40' (potentially 4 stories) to cover up to 50% of a site.</p> <p>Using a 10,000 sq. ft. site as an example, current R2 zone regulations allow a maximum of 1 unit per 2,000 sq. ft. of site area, which translates to a maximum of 5 units. Assuming half of the site could be covered by 4-story buildings, each of these 5 units could conceivably be up to 4,000 sq. ft. in size (testimony indicated a desire for 3,000 sq. ft. units) and achieve an FAR of 2 to 1 (the same FAR allowed in the high-density RH zone). However, current regulations do not use FAR as a development parameter and the R2 zone's maximum 40' height is intended to accommodate up to a 3-story scale (the "Characteristics of the Zones" paragraph for the R2 zone indicates that, "Allowed housing is characterized by one to three story buildings," that are "intended to be "compatible with adjacent houses" (existing 33.120.030.B).</p> <p>On a 10,000 sq. ft. site, the BHD proposal would continue to allow for 5 townhouse-type units, although these units would be limited to a maximum of 2,000 sq. ft. each to fit within the maximum FAR of 1 to 1 (alternatively, 4 units that are each 2,500 sq. ft. in size would also be possible). Note that townhouse-type units in Portland are typically around 2,000 square feet in size, so these limits would not present a major constraint to typical townhouse development. While the BHD proposals would limit the ability to do very large townhouse units, they would provide new flexibility to do a range of other housing types. For example, the 10,000 sq. ft. of building area allowed by the proposed 1 to 1 FAR in the RM1 zone could accommodate 10 units that are each around 1,000 sq. ft., or potentially up to 20 units that are each around 500 square feet).</p> <p>Also note that the BHD proposals provide an FAR bonus of 25% for projects in which at least half of the units have 3 bedrooms and are affordable to households earning up to 100% of median-family income (MFI). On a 10,000 sq. ft. site, this bonus FAR would allow for 5 units that are each 2,500 sq. ft. in size, or 8 units that are each 1,562 sq. ft. in size. The BHD proposals also would reduce the allowed building height to 35', which is more in keeping with the intended 2- to 3-story scale of this zone, accommodate a broad range of middle housing types, and would mirror</p>
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		<p>the 35' height allowance of the CM1 zone, which is similarly intended to relate to scale of low-rise residential areas.</p>
4	<p>Minimum densities. Interested in calibration of minimum density requirements.</p>	<p>The BHD proposals are not proposing changes to the minimum density thresholds that apply in the current multi-dwelling base zones (however, the RM1 zone will use the R2 minimum density requirements, not those of the R3 zone). These minimum density requirements are as follows:</p> <p>RM1: 1 unit per 2,500 sq. ft. of site area (2 units on a 5,000 sq. ft. site)</p> <p>RM2: 1 unit per 1,450 sq. ft. of site area (3 units on a 5,000 sq.ft. site) – <i>the minimum density is reduced to 1 unit per 2,000 sq.ft. of site area for sites less than 10,000 feet in size (this allows for a minimum of 5 units on a site just under 10,000 sq. ft., instead of the 7 units that would otherwise be required).</i></p> <p>RM3 and RM4: 1 unit per 1,000 sq. ft. of site area (5 units on a 5,000 sq. ft. site)</p> <p>Instead of changing minimum density requirements, the proposals primarily provide more flexibility for additional numbers of units, beyond the current maximum densities. The proposals would continue to allow the types of development currently being built today (such as duplexes or pairs of attached houses on 5,000 sq. ft. sites in the R2 zone), but expand options for more housing types with greater numbers of units. This wide range of allowed densities accommodate a range of housing needs and market conditions, allowing for inexpensive construction types at the lower ends of the density ranges.</p> <p>Plan district minimum density requirements. While the BHD proposals do not change the base zone minimum density thresholds, they would change some plan district minimum density regulations to bring them into alignment with the base zone regulations. These include Albina and North Interstate plan district regulations for the RH (new RM3/RM4) zone, which set a lesser minimum density of 1 unit per 2,000 sq. ft. of site area (instead of the standard RH requirements of 1 unit per 1,000 sq. ft.), and also the St. Johns plan district, which sets a minimum R1 (new RM2) zone density of 1 unit per 2,250 sq. ft. of site area for small sites (less than the standard 1 unit per 2,000 sq. ft. that applies to small sites). These plan district areas are designated as Town Centers or Civic Corridors, intended to accommodate concentrations of higher-density housing, which leaves little rationale for lesser density requirements than generally apply in the multi-dwelling zones.</p>

Conformance with minimum density requirements. Another BHD proposal that does affect minimum density requirements relates to when these thresholds must be met. Currently, a site with existing development (such as a house), can add new units without coming all the way into conformance with minimum density requirements. This has allowed for situations in which projects can significantly underbuild the intended development intensities of zones (see images, below; additional examples to be provided during the September 25 work session).

The BHD proposals would require projects adding new units to come all the way into conformance with minimum densities. Exceptions are provided to allow for an ADU to be added to an existing house, or for units to be added within an existing structure when the building footprint is not expanded (to facilitate internal conversions and preservation of existing buildings). Sites with historic resources, where trees are being preserved, or that are in flood or landslide hazard areas are also exempt from coming all the way into conformance with minimum densities.



Left: Example of proposed development in the R1 zone in the Division/Midway Town Center. This project proposes the addition of new detached houses to a property with two existing houses, missing minimum density by 18 units. Although this does not meet minimum density requirements, it is currently allowed as it comes closer to conformance with required density. ¶

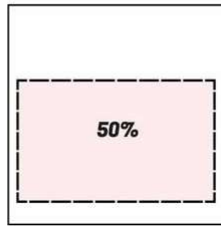
Right: Multi-Dwelling housing that reflects the intended development intensity of the R1 zone. ¶

5 **Displacement risk analysis.** Would like to have a displacement risk analysis done for existing multi-dwelling zoning (not just for changes due to the BHD proposal).

BPS staff will undertake this expanded displacement risk analysis, but it will not be ready in time for the September 25th PSC work session.

Comparison Between Multi-Dwelling (RM) and Commercial/Mixed Use (CM) Building Coverage Limits

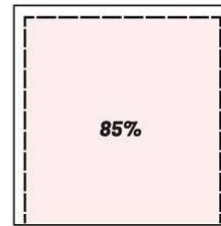
Based on 10,000 square foot site. In some cases, differing lot coverage amounts are shown to reflect geographically-specific standards (for example, the CM2 zone allows 100% building coverage in the Inner Neighborhood pattern area, but limits coverage to 85% in Eastern and Western neighborhood areas).



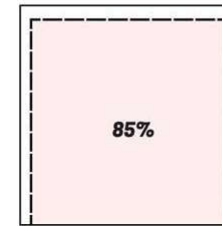
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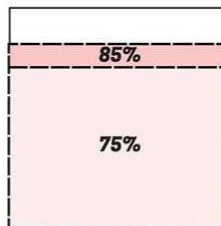
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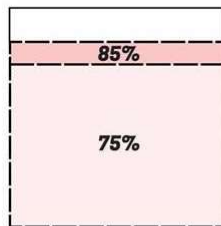
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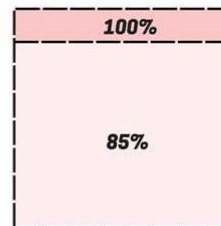
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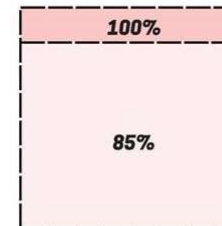
CM1



CE



CM2



CM3