



# Better Housing by Design:

An update to Portland's Multi-Dwelling Zoning Code

Planning and Sustainability Commission

Work Session / Recommendation

April 30, 2019



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



# Better Housing by Design PSC Work Session / Recommendation

April 30, 2019

## Agenda

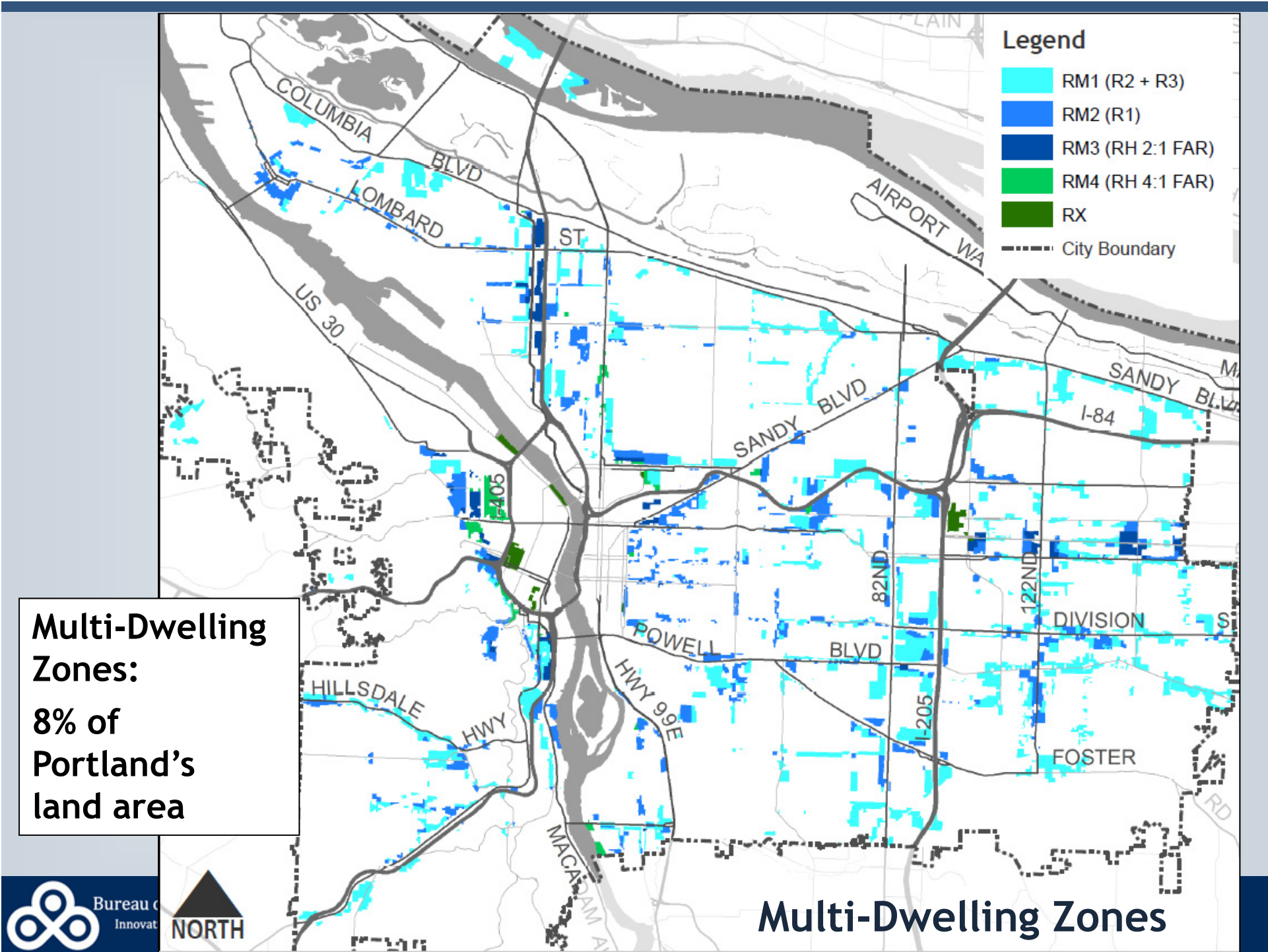
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1. Follow-up to Displacement Risk Analysis
2. Amendments to Revised Proposed Draft
  - discussion and votes:
    - A. Previously discussed and technical amendments
    - B. New potential amendments (raised by commissioners)
3. Vote on recommendation to City Council



# Follow Up to Displacement Risk Analysis





# Displacement Risk Analysis

## Methodology

1. Similar to RIP analysis, but different
2. Analyzed incremental impact of BHD changes compared to 2035 Comprehensive Plan
3. Based on changes in capacity (not allocation)
4. Based on “strike price” for financial feasibility



# Displacement Risk Analysis Burdens

1. Focus on RM1 and RM2 changes (R1/R2/R3)  
Change from units/acre to FAR
2. 85% of development capacity is through redevelopment - very little vacant land
3. Large portion of RM1 and RM2 zoning is in East Portland
4. Most of RM1 and RM2 zoning has existing single-family houses.



# Displacement Risk Analysis Benefits

## Benefits

1. More housing capacity
2. Better design - outdoor space, limits on parking areas
3. Increase in IH bonus
4. New deeper affordability housing bonus
5. New transfers for preserving affordable housing
6. Bonus for 3-bedroom family units at 100% MFI
7. Bonus for visitable units



# Outstanding Questions

1. How many additional Inclusionary Housing (IH) units could be enabled from the proposed code changes?
2. What is the expected price/rent levels of new development? What household income level would be needed to be affordable?



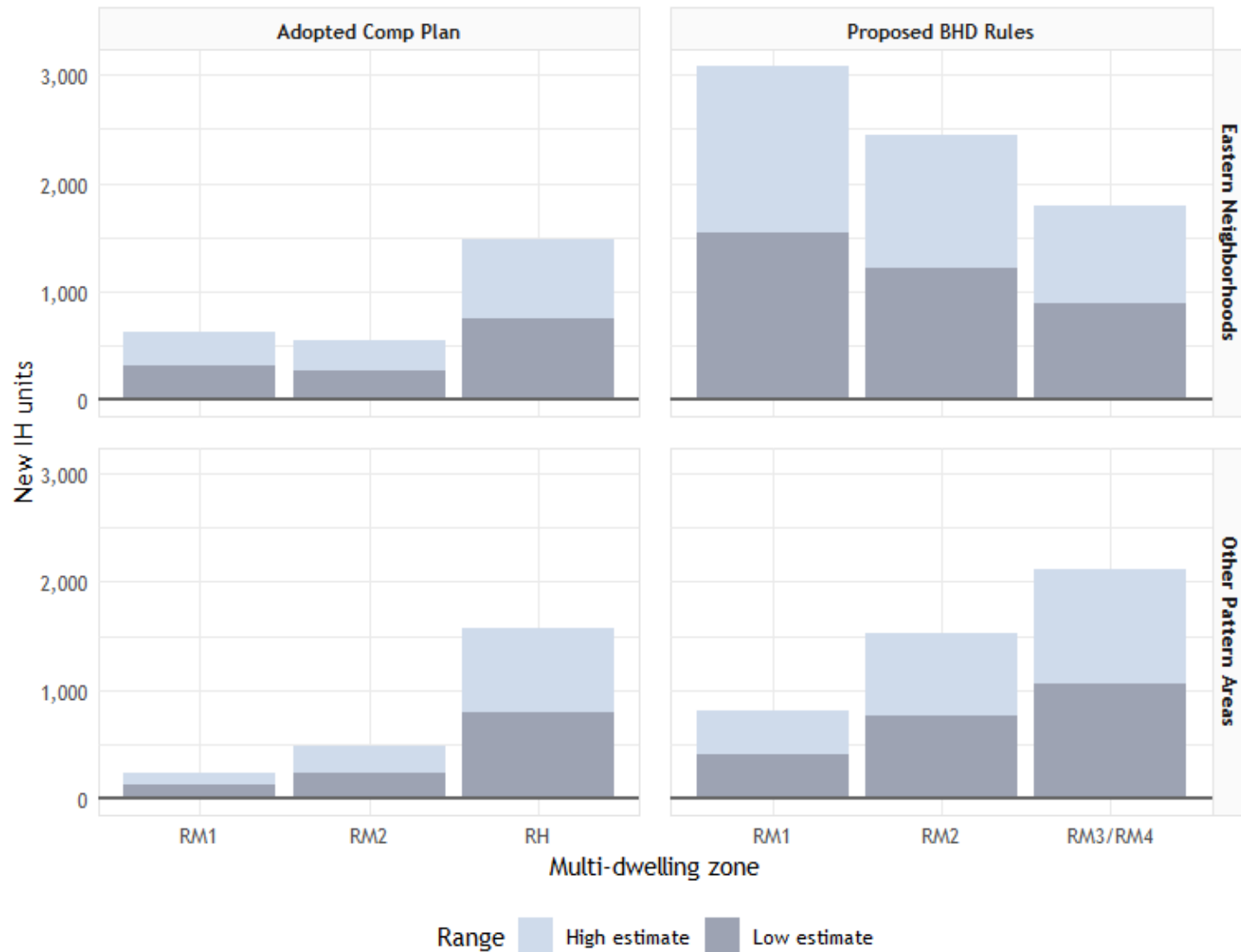


# Development Opportunity

1. Change to FAR for regulating density makes it easier to get to 20+ unit projects that must comply with IH program.
2. IH projects get bigger FAR bonus, which will lead to incremental increase in size of projects.



## How many regulated affordable housing units could Better Housing by Design yield? Estimated yield of inclusionary housing under proposed Better Housing by Design rules



# Development Capacity Analysis

	Comp Plan	BHD	Net (BHD - CP)		
	Bonus-adjusted capacity	Bonus-adjusted capacity	Bonus-adjusted capacity	IH yield	
				10% @ 60% MFI	20% @ 80% MFI
<b>Total capacity</b>	53,821	97,587	43,766	3,417	6,835
<b>Small sites (&lt; 20 units)</b>	29,143	38,735	9,592	0	0
Eastern Neighborhoods	8,771	10,313	1,542	0	0
Other Pattern Areas	20,372	28,422	8,050	0	0
<b>Large sites (&gt;= 20 units)</b>	24,678	58,852	34,174	3,417	6,835
Eastern Neighborhoods	13,233	36,532	23,299	2,330	4,660
Other Pattern Areas	11,446	22,320	10,875	1,087	2,175



# New Construction Rent Levels

	East Portland		Citywide	
	Rent	Approx. MFI †	Rent	Approx. MFI †
Studio	\$853	60% MFI	\$1,290	91% MFI
1-bedroom	\$811	53% MFI	\$1,590	104% MFI
2-bedroom	\$1,423	78% MFI	\$2,376	130% MFI
3-bedroom	\$1,641	78% MFI	\$2,510	119% MFI

† Does not account for cost of utilities.  
Source: CoStar, Prosper Portland.



# New Construction Rent Levels

			
	Duplex	Triplex	Fourplex
Average Size	1,500 Square Feet	1,170 Square Feet	880 Square Feet
Average Sale Price	\$463,500	\$360,500	\$270,400
Affordability Level Income Required †	110% MFI \$81,000	90% MFI \$66,000	80% MFI \$59,000
Average Rent	\$3,255/month	\$2,500/month	\$1,900/month
Affordability Level Income Required †	180% MFI \$132,000	120% MFI \$88,000	100% MFI \$73,000
† Income required for a family of 3			



# Amendments to Revised Proposed Draft



# Previously Discussed and Technical Amendments

## Amendments

5. Revise base and bonus FAR in the RM4 zone in historic districts.
  6. Revise mapping of RM3 and RM4 zones in the Alphabet Historic District.
  7. Revise mapping of RM3 and RM4 zones in/around the King's Hill Historic District.
  8. Additional FAR transfer allowance for seismic upgrades.
- 
9. Correction to Table 130-2.
  10. Clarify "height" for deeper housing affordability bonus.
  11. Minor amendment to visitable units bonus.
  12. Add "fourplexes" to distance-from-grade regulation.

Discussed in  
April 9<sup>th</sup>  
work session

Technical  
Amendments



# **New Potential Amendments (requested by commissioners)**

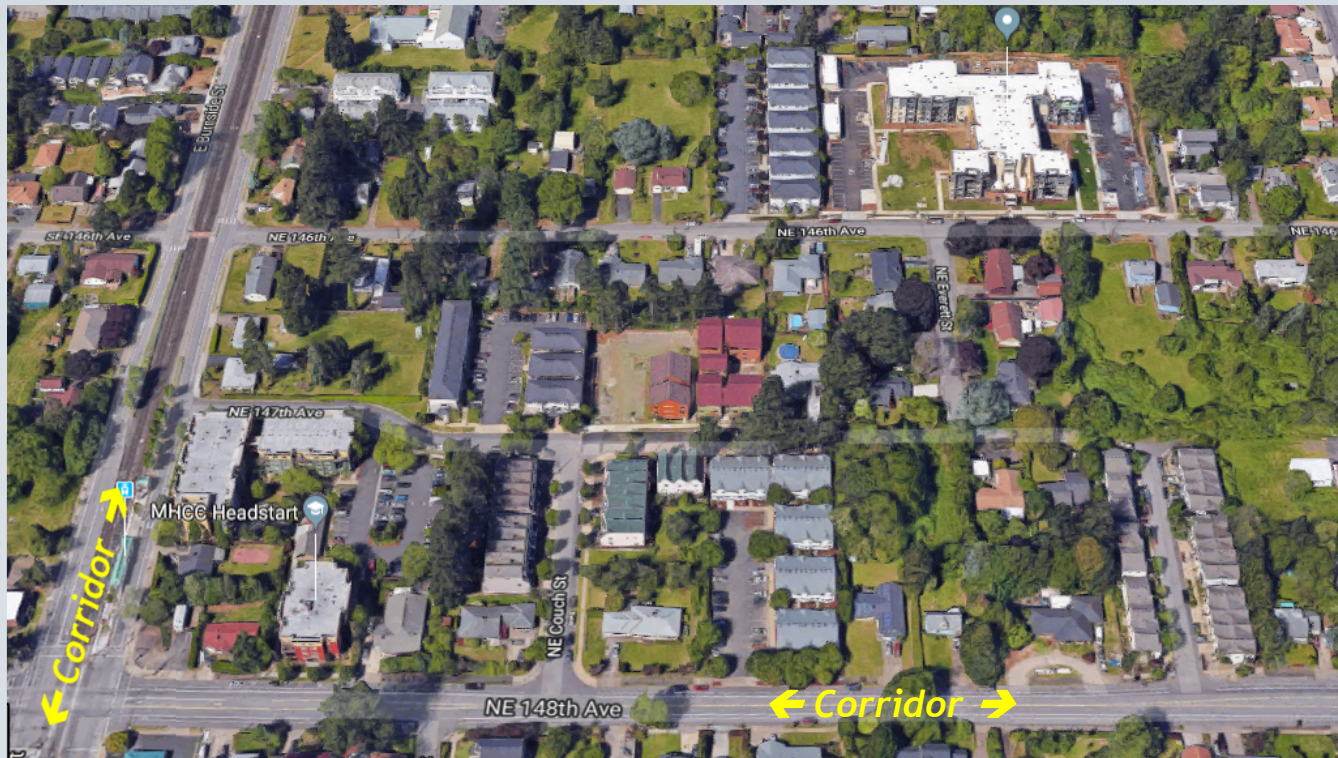
## **Amendments**

- 1. Allow daycares as a limited use in multi-dwelling zones, regardless of location.**
- 2. Exempt bicycle parking from FAR calculations.**
- 3. Modify the pedestrian standards to allow a pathway to an entrance to up to 4 units to be as narrow as 3-feet wide.**
- 4. Set a maximum width for required pedestrian connections for large sites.**





# New Potential Amendments (requested by commissioners)



## 1. Allow daycares as a limited use in multi-dwelling zones, regardless of location.

Allow Daycare uses up to 3,000 square feet on all multi-dwelling zone properties, not just along major corridors.

*(Can be larger when approved as a conditional use).*



# New Potential Amendments (requested by commissioners)



## 2. Exempt bicycle parking from FAR calculations.

Add required bicycle parking to the exemption from FAR calculations that applies to structured parking.



## New Potential Amendments (requested by commissioners)



### **3. Modify the pedestrian standards to allow a pathway to an entrance to up to 4 units to be as narrow as 3-feet wide.**

This allowance for a narrow entrance pathway would apply even on a large site with more than 20 units.

*(would be a change from 2-unit threshold in Revised Proposed Draft)*



# New Potential Amendments (requested by commissioners)



4. Set a maximum width of 15 feet for required pedestrian connections for large sites.
  - Would set a maximum ROW width of 15 feet for public pedestrian connections required for sites more than 5 acres (must meet spacing standards of a connection every 330 feet).
  - Issue - City Engineer/PBOT have authority over public streets/ROW.



# Vote on Recommendation to City Council



## Motion (part 1)

### Recommend that City Council:

1. Adopt the Better Housing by Design *Revised Proposed Draft* volumes 1 - 3, as amended, and appendices A - G as legislative intent and background;
2. Amend the Zoning Map and Comprehensive Plan Map as shown in Volume 1;
3. Amend the Zoning Code and the Comprehensive Plan as shown in volumes 2 and 3.



## Motion (part 2)

### Direct staff to:

4. **Revise the staff report and code commentary to clarify proposals and findings, as necessary;**
5. **In the event that the Better Housing by Design Project is considered by City Council prior to the Residential Infill Project, make necessary changes to Volumes 1-3 to accommodate this change in sequencing.**





# Better Housing by Design:

An update to Portland's Multi-Dwelling Zoning Code

Planning and Sustainability Commission

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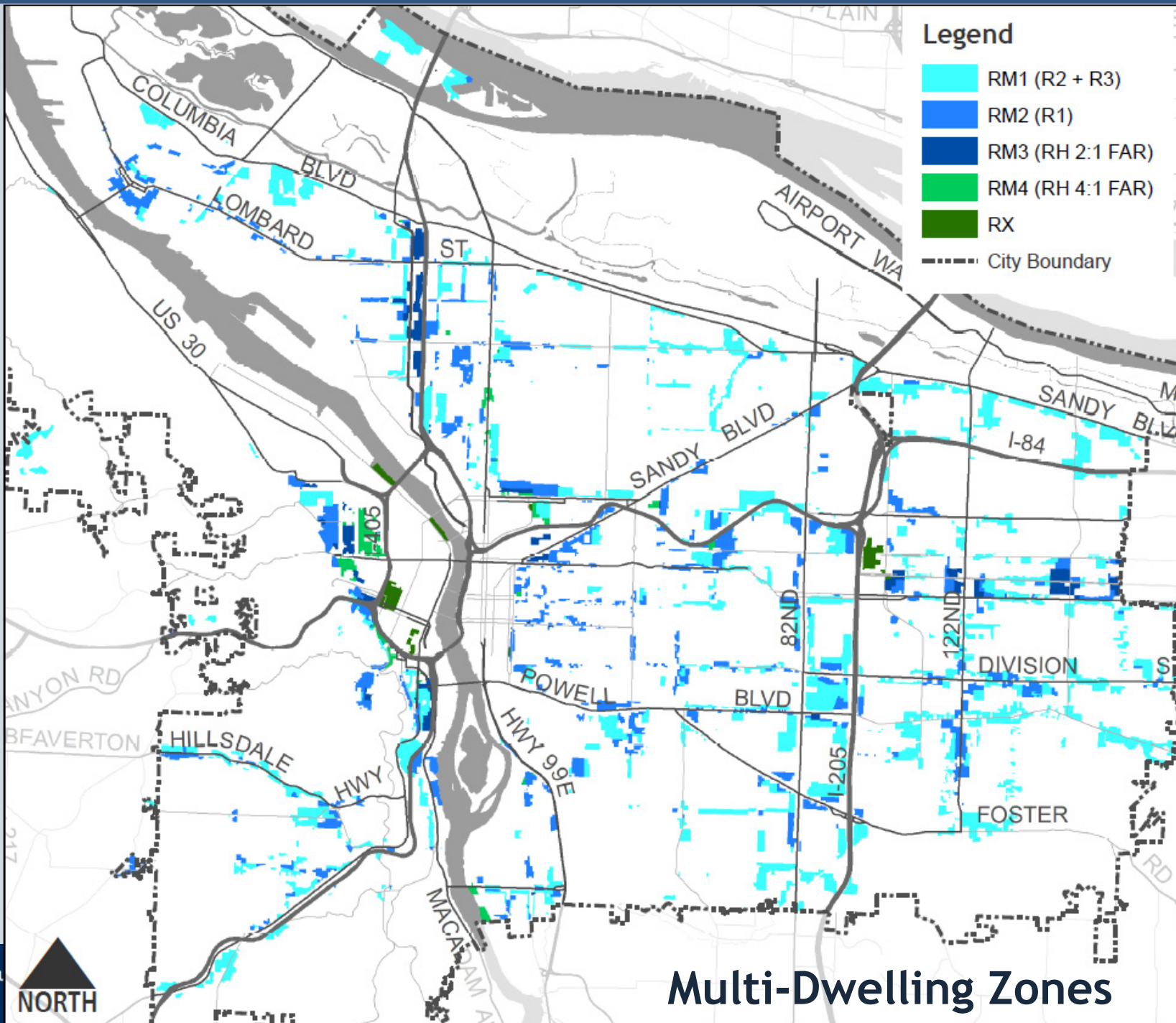
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# Reference Slides





**Legend**

- RM1 (R2 + R3)
- RM2 (R1)
- RM3 (RH 2:1 FAR)
- RM4 (RH 4:1 FAR)
- RX
- City Boundary



**Multi-Dwelling Zones**

# New Multi-Dwelling Zones

## New Zone: RM1

Current Zones: R2 and R3

Maximum Height: 35 feet

Max. Building Coverage: 50%

(63% of MDR zoning)

## New Zone: RM2

Current Zone: R1

Maximum Height: 45 feet

Max. Building Coverage: 60% or 70%

(29% of MDR zoning)

## New Zone: RM3

Current Zone: RH (2:1 FAR)

Maximum Height: 65 feet

Max. Building Coverage: 85%

(5% of MDR zoning)

## New Zone: RM4

Current Zone: RH (4:1 FAR)

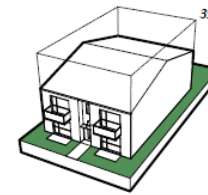
Maximum Height: 75 - 100 feet

Max. Building Coverage: 85%

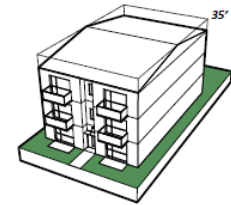
(3% of MDR zoning)

Base FAR

Bonus FAR



1 to 1



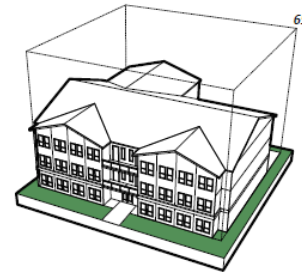
1.5 to 1



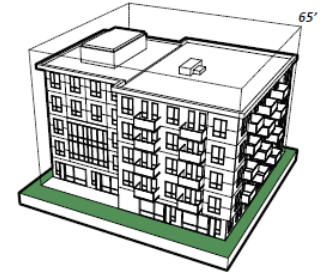
1.5 to 1



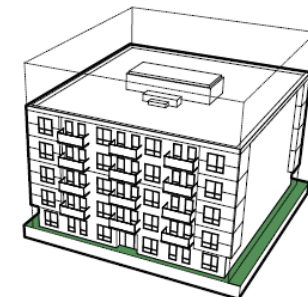
2.25 to 1



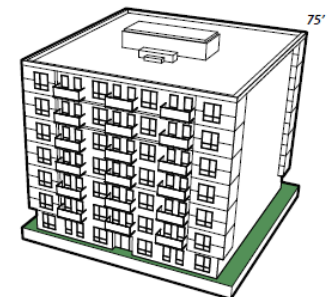
2 to 1



3 to 1



4 to 1



6 to 1



# FAR Bonus and Transfer Options

**Base  
FAR**

**+50%**

**+100%**

Base FAR	Bonus FAR Up to 50% above base	Bonus FAR 100% above base
<ul style="list-style-type: none"> <li>▪ Allowed by right</li> <li>▪ Varies by zone</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Inclusionary housing: full 50% bonus</b></li> <li>▪ <b>Moderate income family housing: 25% bonus</b></li> <li>▪ <b>Visitable units: 25% bonus</b></li> <li>▪ <b>FAR transfers from sites preserving:</b> <ul style="list-style-type: none"> <li>▪ Existing affordable housing</li> <li>▪ Trees</li> <li>▪ Historic resources</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Special bonus for deeper housing affordability</b> (At least half of units must be affordable at 60% MFI)</li> </ul>



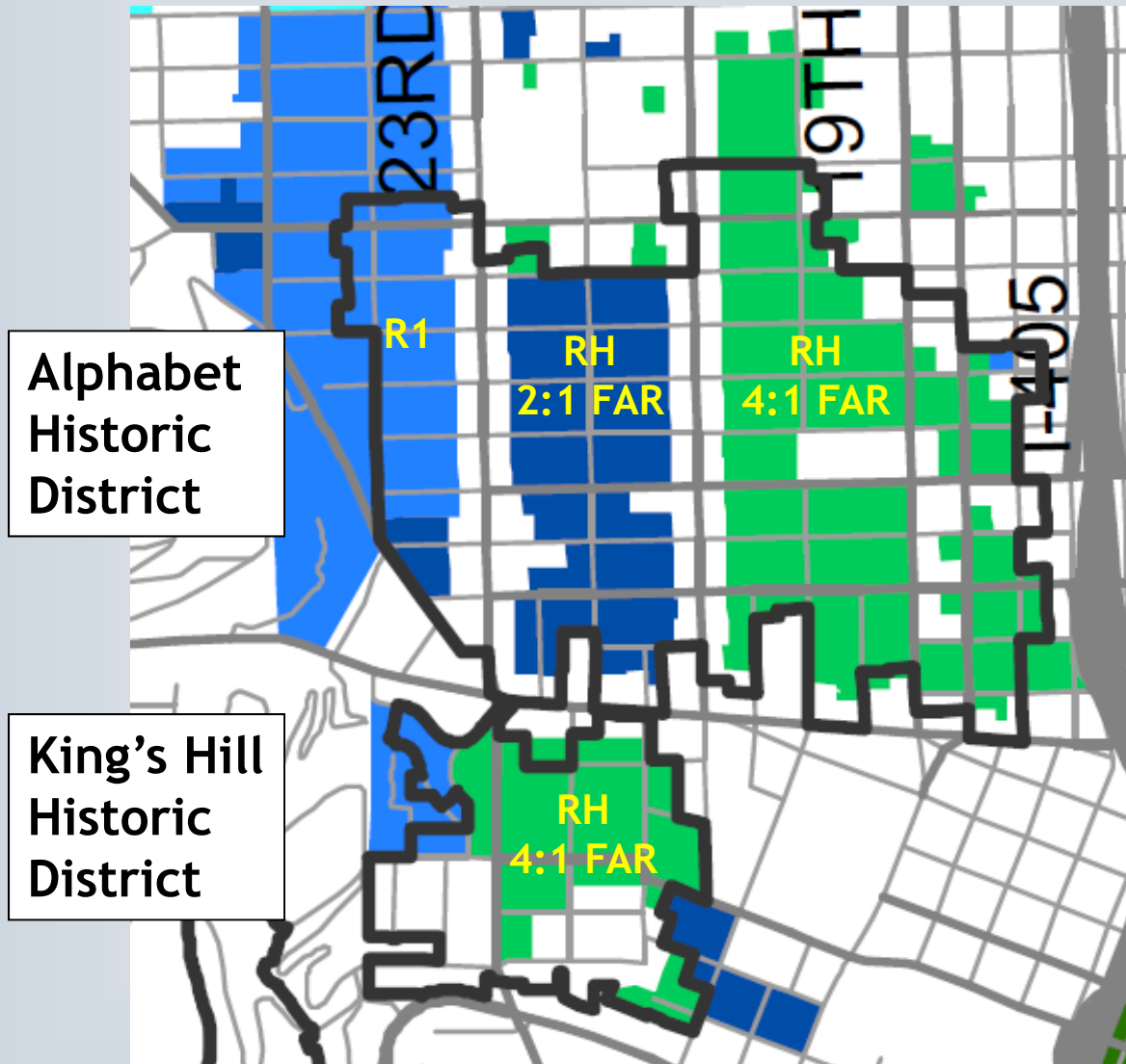
# Visitable Units Bonus

Provide a visitable units bonus providing 25% additional FAR when at 25% of units meet visitability standards.

- Townhouses/duplexes/houses need to meet standards (ICC) for Type C “visitable” units:
  - No-step access to units
  - Bathroom with reinforcement for grab bars  
*(exempt from bathroom requirement when less than 120 sq.ft. of habitable space - different from zoning code “living area” - change to minimum 200 sq.ft. of living area avoids this exemption)*
  - Living area at least 70 sq. ft.
  - Doorway clearances at least 31<sup>3/4</sup> inches
  - Lighting controls at accessible level
- Multi-family buildings need to meet building code Type A unit standards *(provides higher level of accessibility than more usual Type B standards)*



# Topic 2: Historic District Zoning

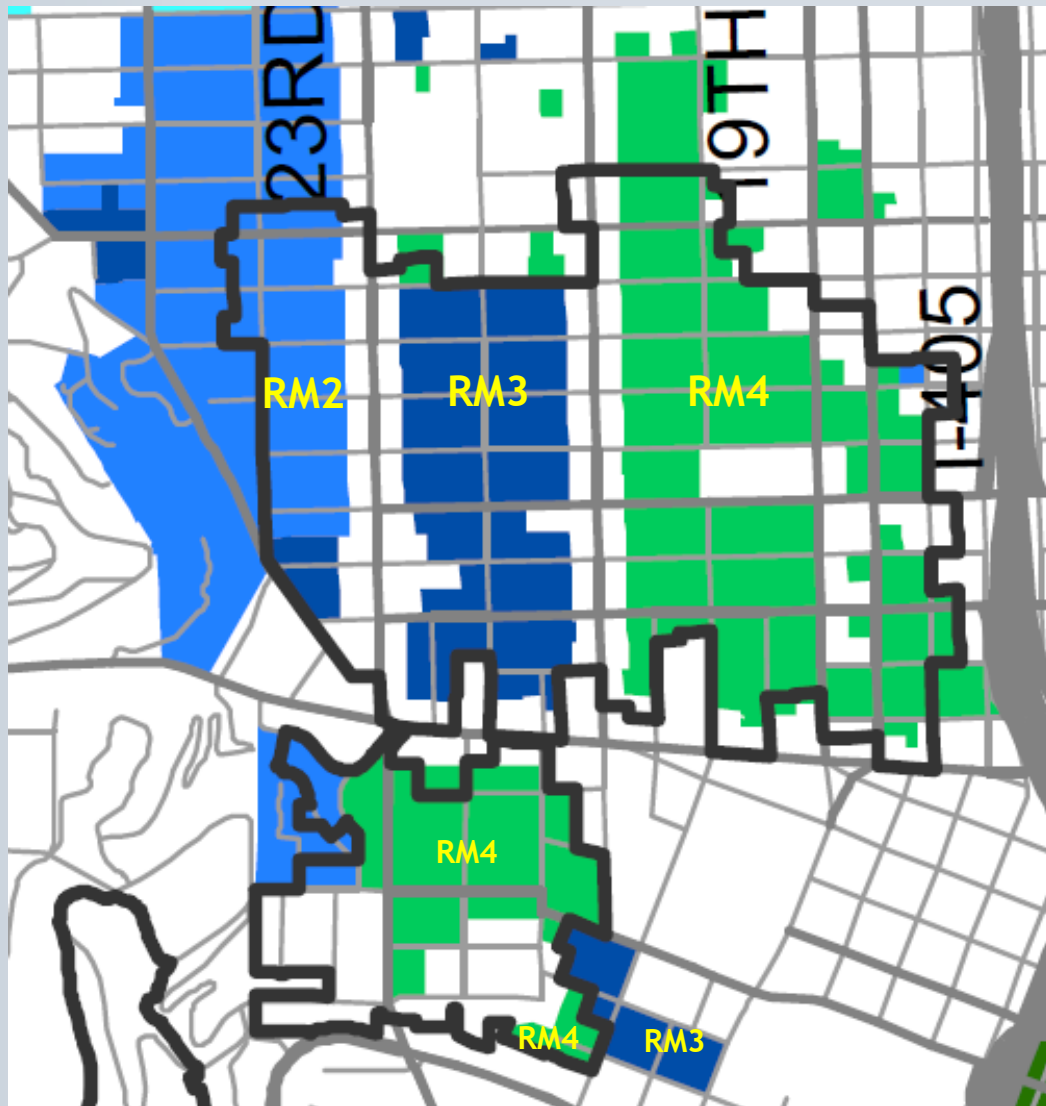


Alphabet  
Historic  
District

King's Hill  
Historic  
District



# Alphabet and King's Hill Historic Districts

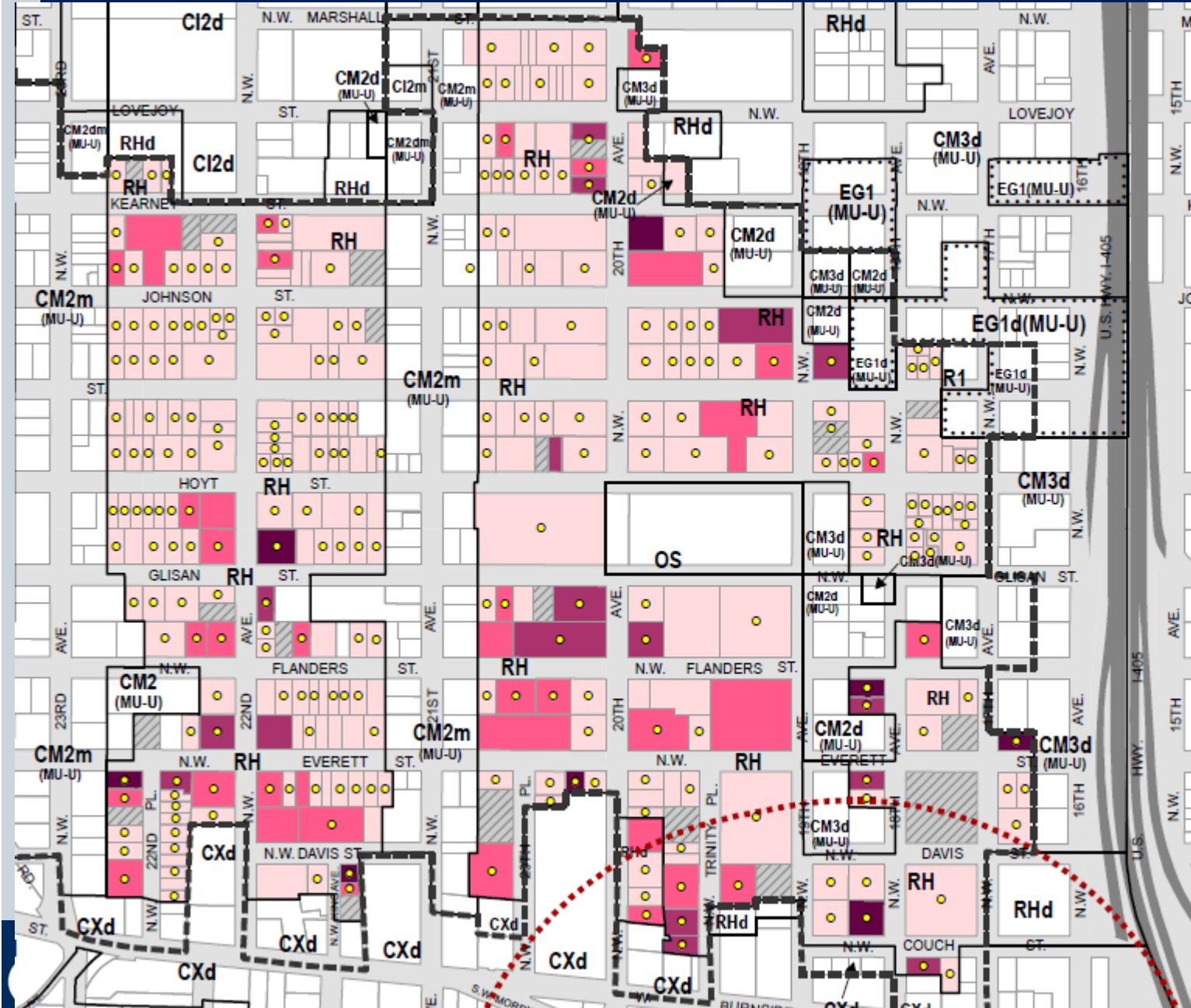


## Proposed Multi-Dwelling Zoning

	Base FAR	Bonus FAR
<b>RM2</b> <i>(R1)</i>	 1.5 to 1	 2.25 to 1
<b>RM3</b> <i>(RH 2:1)</i>	 2 to 1	 3 to 1
<b>RM4</b> <i>(RH 4:1)</i>	 4 to 1	 6 to 1



# Alphabet Historic District



City of Portland, Oregon  
Bureau of Planning & Sustainability  
Geographic Information System

## Existing Building Floor Area Ratios Alphabet Historic District

- Legend**
- Alphabet Historic District
  - Building FAR**
    - Up to 2:1 FAR
    - >2:1 to 3:1 FAR
    - >3:1 to 4:1 FAR
    - More than 4:1 FAR
    - Vacant Land
    - Contributing Buildings
    - Yamhill MAX station buffer
    - Zoning Lines
    - Comp Plan lines

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# Alphabet Historic District



3.9 to 1 FAR



3.3 to 1 FAR

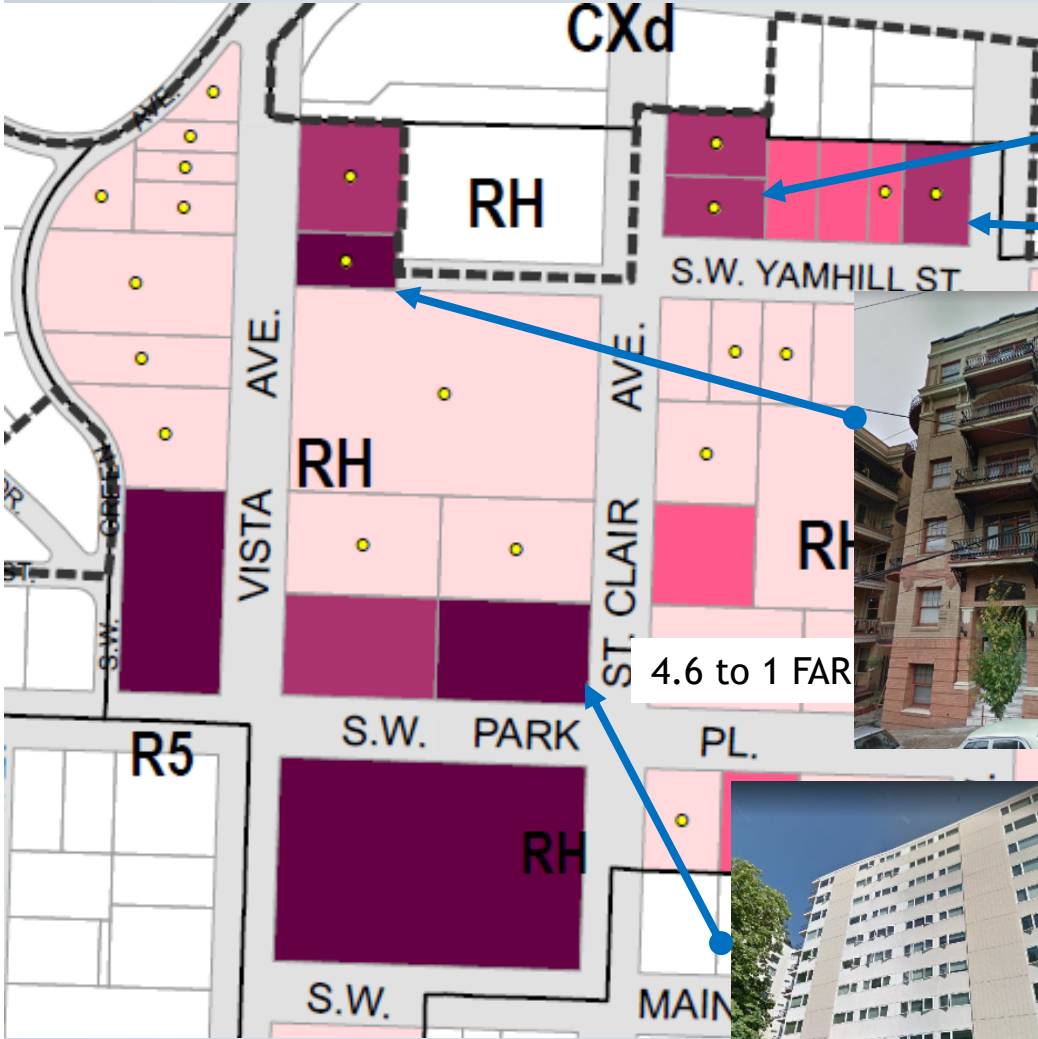


4 to 1 FAR



4.3 to 1 FAR

# King's Hill Historic District



3.9 to 1 FAR



4.6 to 1 FAR



3.1 to 1 FAR

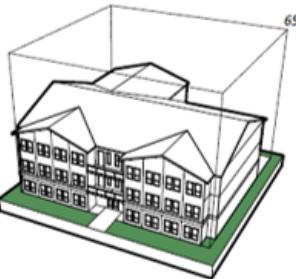

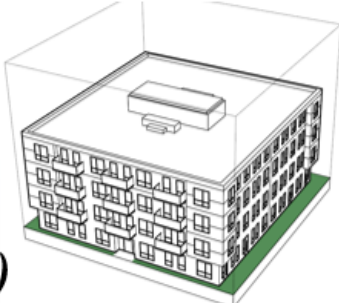
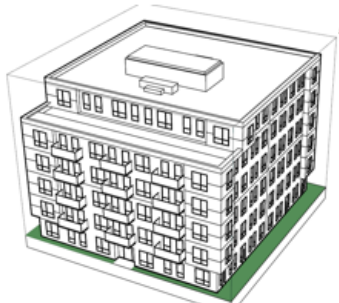
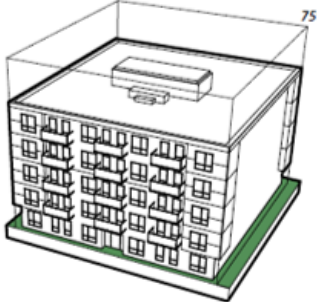



4.3 to 1 FAR



# 2A: Potential Approach for RM4 Zones in Historic Districts

In the RM4 zone in historic districts, provide base and bonus FARs of 3:1 and 4.5:1 (instead of 4:1 and 6:1)

	Base FAR	Bonus FAR	Deeper Affordability Bonus
<b>RM3</b>	 <p>2 to 1</p>	 <p>3 to 1</p>	4 to 1
<b>RM4 (historic districts)</b>	 <p>3 to 1</p>	 <p>4.5 to 1</p>	6 to 1
<b>RM4 (outside historic districts)</b>	 <p>4 to 1</p>	 <p>6 to 1</p>	7 to 1



## 2A: Potential Approach for RM4 Zones in Historic Districts



3 to 1



3.3 to 1



4.3 to 1



3 to 1



3.7 to 1



4.7 to 1

3 to 1 —————→ 4.5 to 1

**Base and bonus FARs of 3:1 to 4.5:1 would allow new buildings similar to the scale of larger historic apartment buildings**



## 2A: Potential Approach for RM4 Zones in Historic Districts



3.6 to 1



3.6 to 1

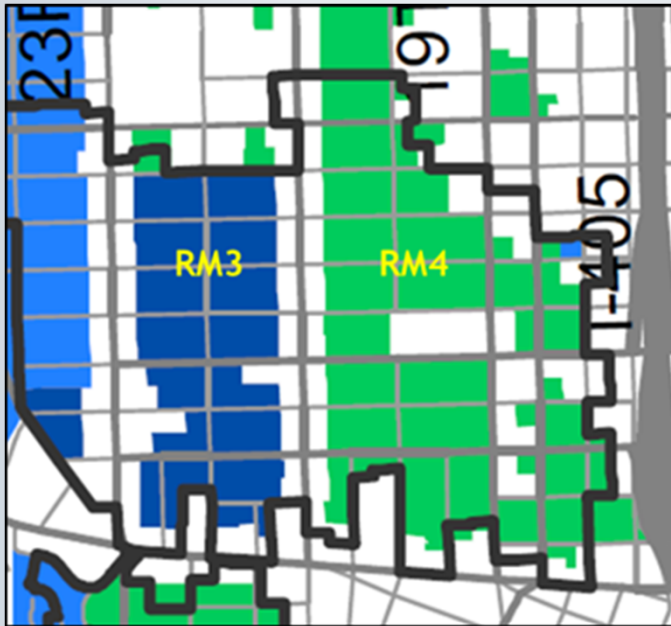


3.9 to 1

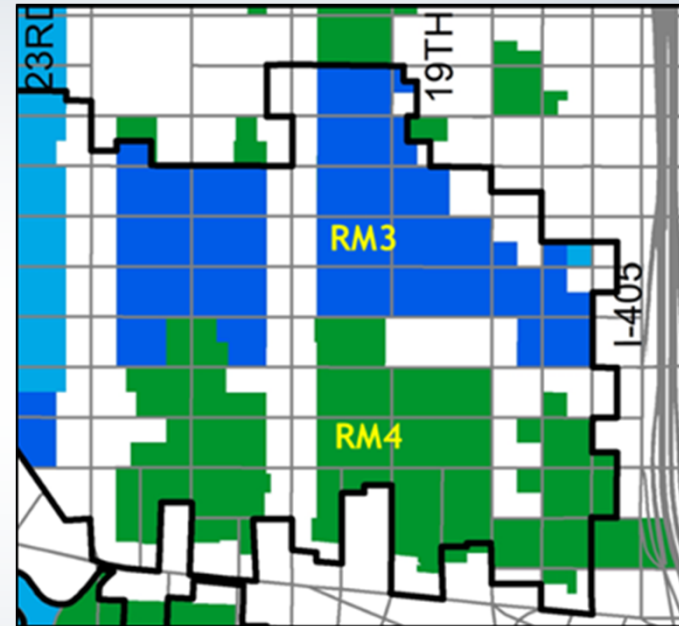
**Recently built or approved large-scale historic district development**  
- All would be allowed by 4.5 to 1 FAR Bonus



## 2B: In the Alphabet Historic District, Assign RM4 & RM3 Zoning to Reflect Historic Patterns



*Original Proposal*  
(based on existing zoning)



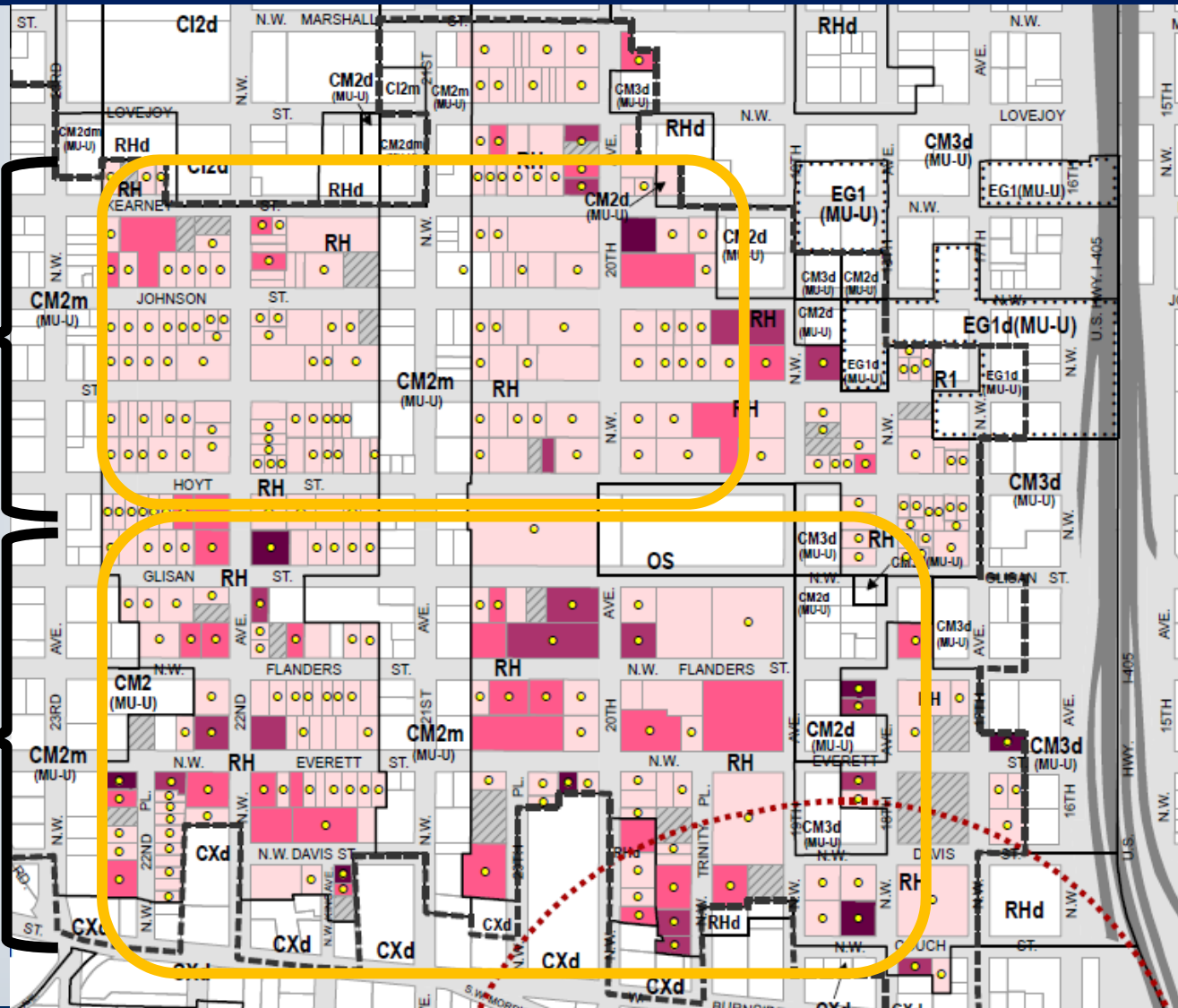
*Recommended Changes*  
(based on historic patterns)



# 2B: In the Alphabet Historic District, Assign RM4 & RM3 Zoning to Reflect Historic Patterns

Smaller buildings clustered to north

Larger buildings clustered to south



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Geographic Information System

## Existing Building Floor Area Ratios Alphabet Historic District

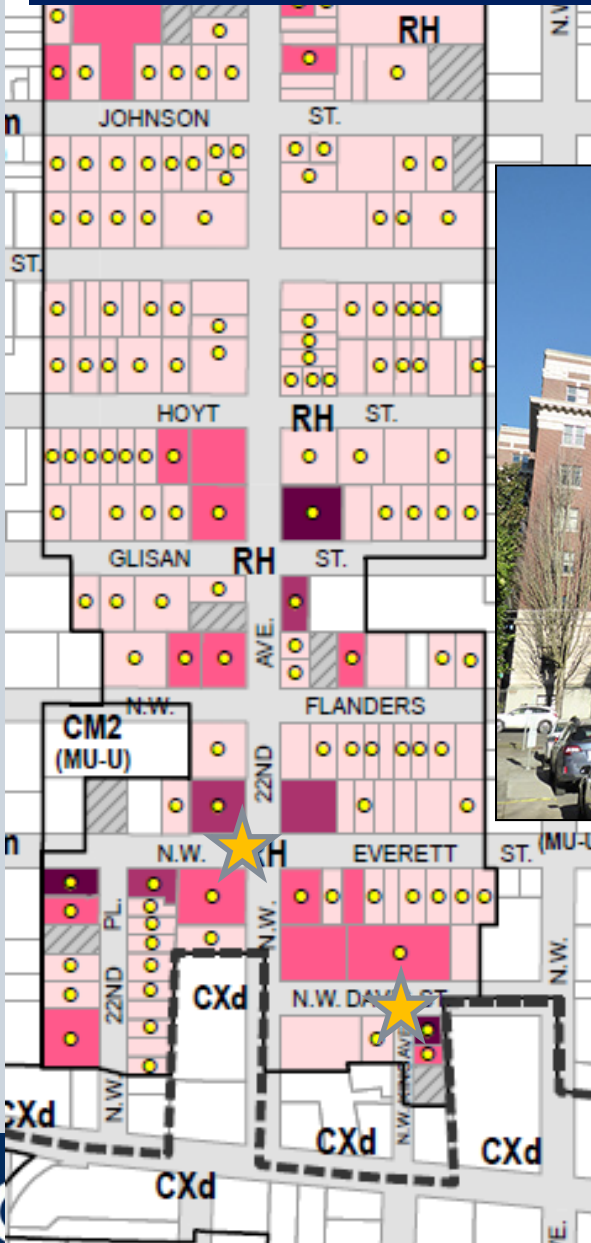
- Legend
- Alphabet Historic District
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## 2B: In the Alphabet Historic District, Assign RM4 & RM3 Zoning to Reflect Historic Patterns



NW Davis & King



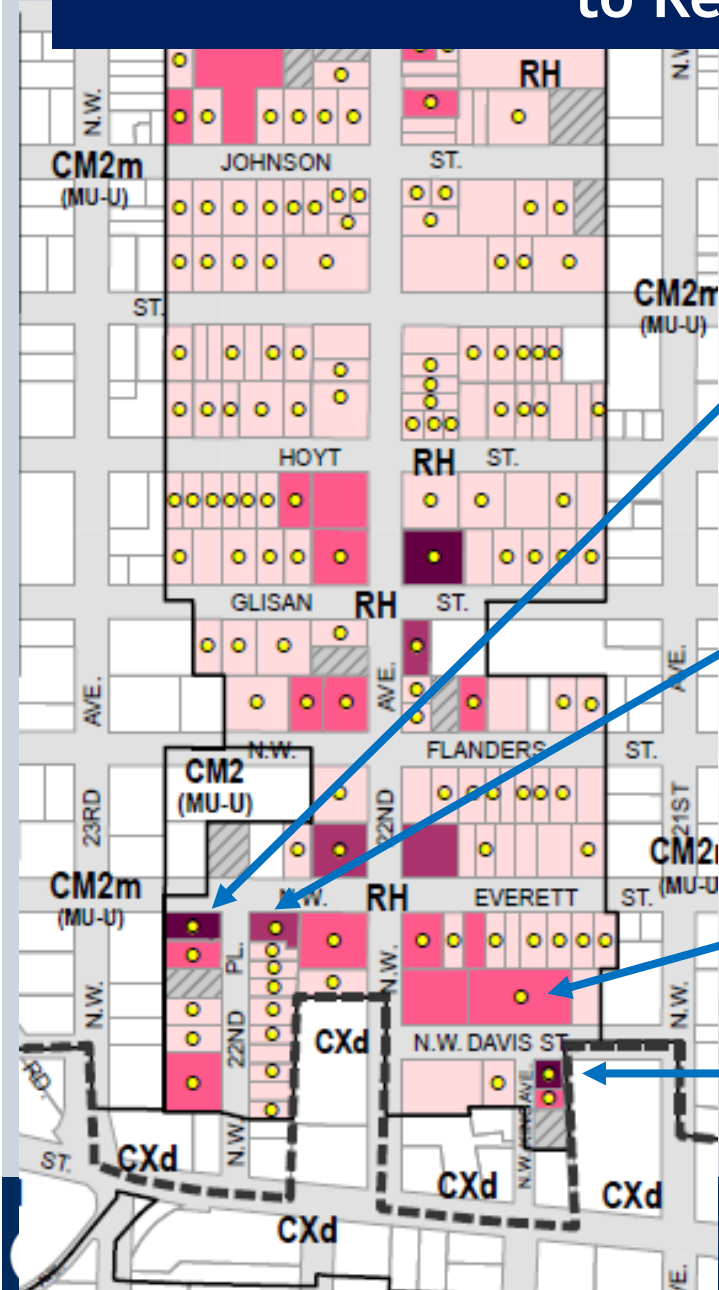
NW Everett & 20th

**RH zoning between NW 21<sup>st</sup> & NW 23<sup>rd</sup>**  
*(currently base FAR of 2 to 1)*





# 2B: In the Alphabet Historic District, Assign RM4 & RM3 Zoning to Reflect Historic Patterns



4.1 to 1 FAR



3.7 to 1 FAR

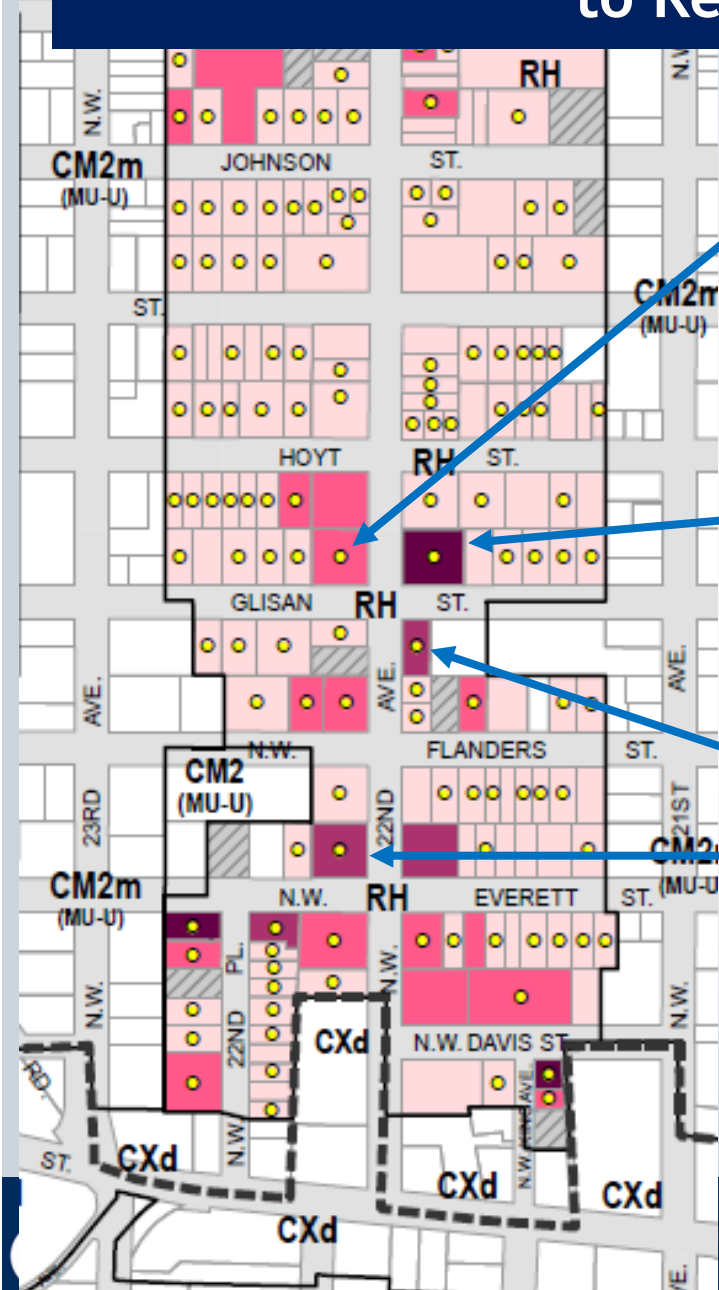
5 to 1 FAR



4.7 to 1 FAR



# 2B: In the Alphabet Historic District, Assign RM4 & RM3 Zoning to Reflect Historic Patterns



2.3 to 1 FAR



3.2 to 1 FAR

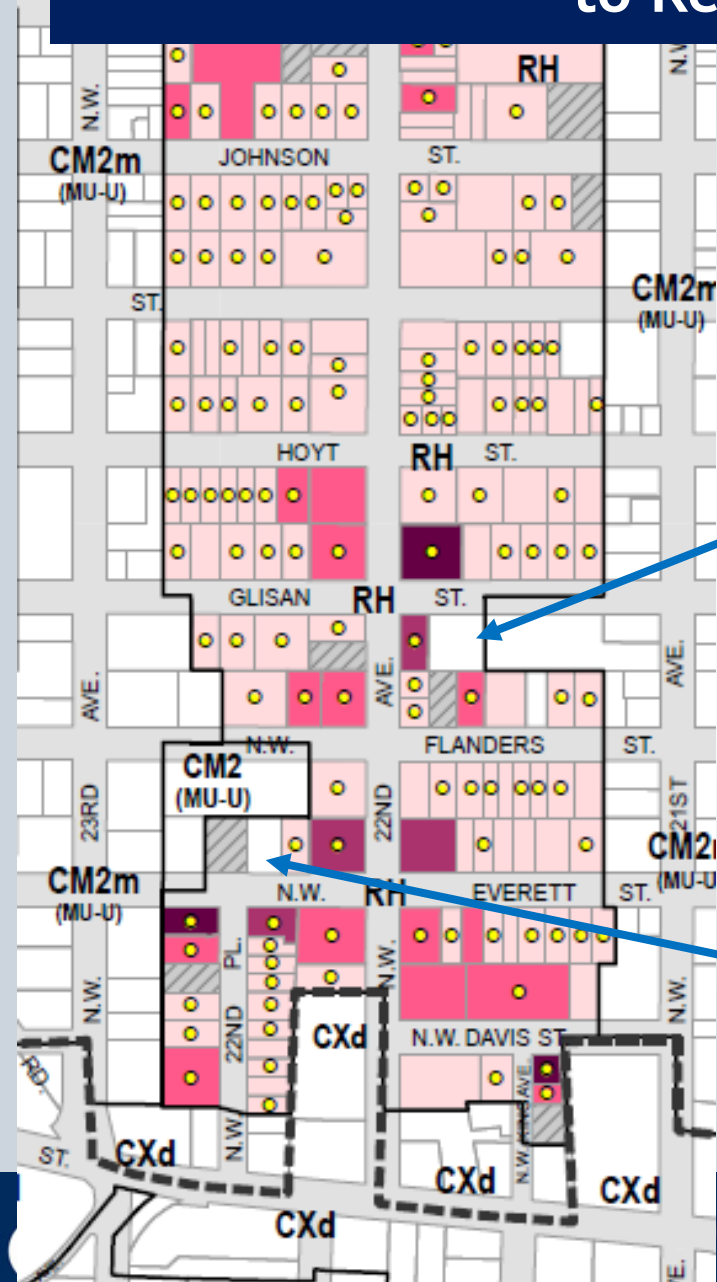
3.5 to 1 FAR



3.2 to 1 FAR

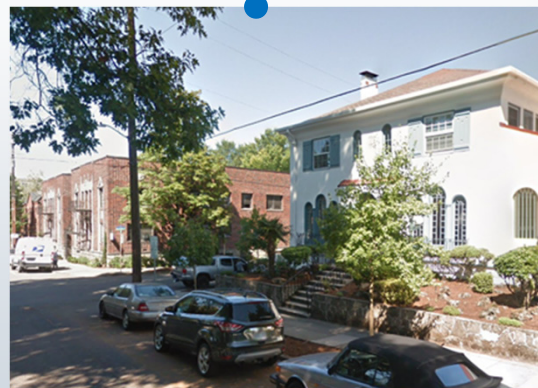
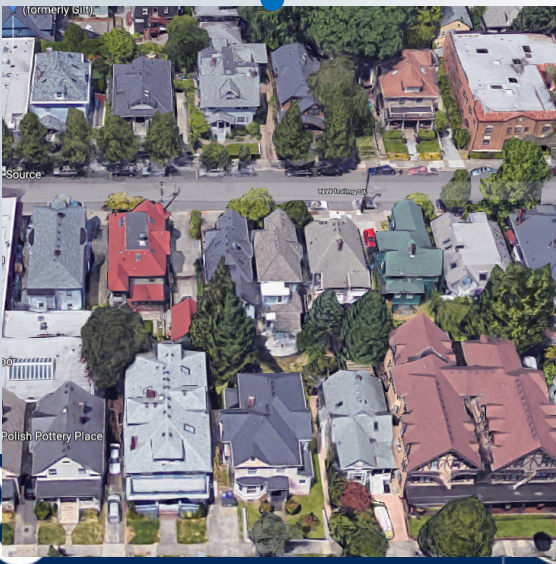
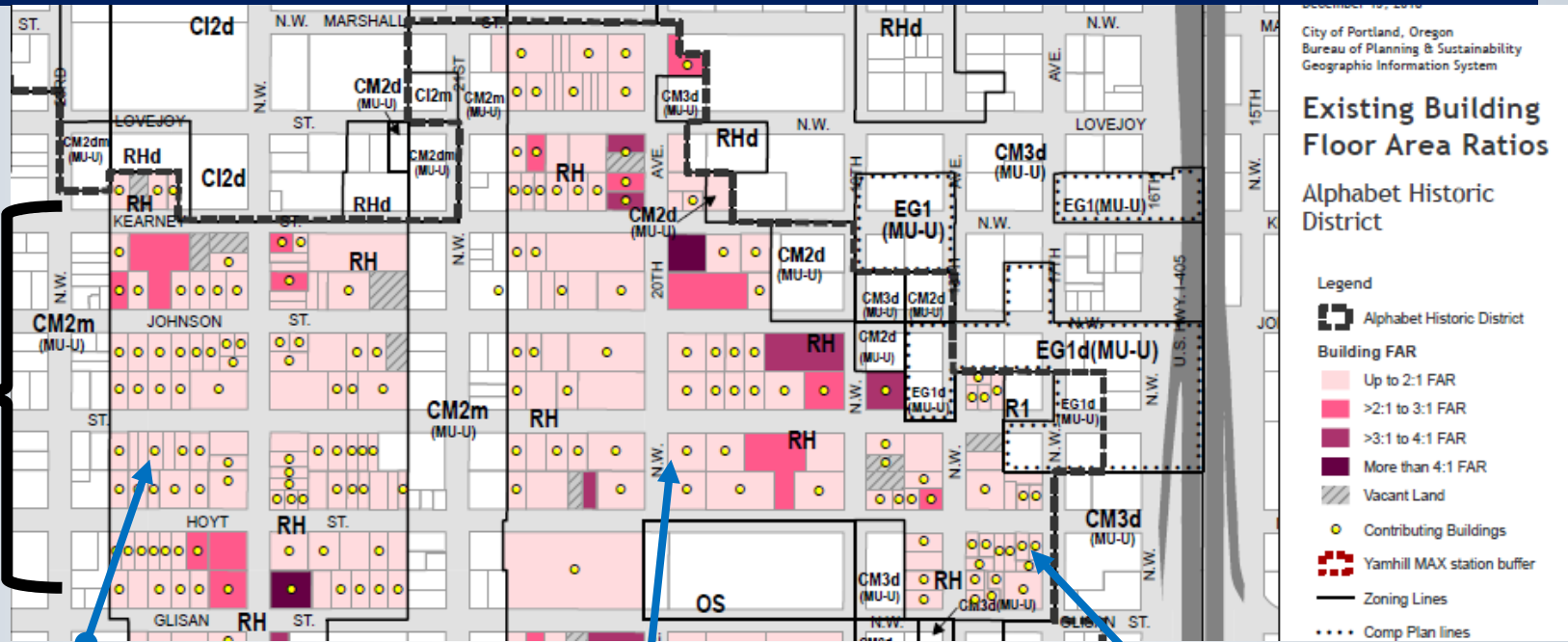


# 2B: In the Alphet Historic District, Assign RM4 & RM3 Zoning to Reflect Historic Patterns

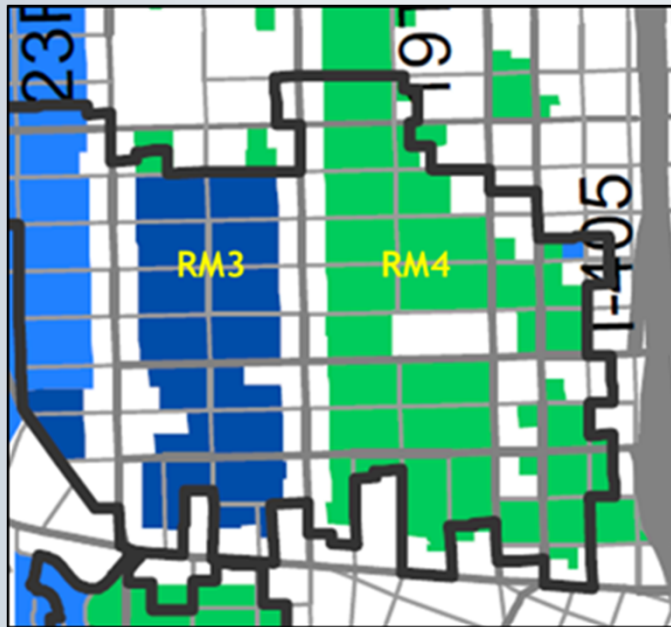


# 2B: In the Alphabet Historic District, Assign RM4 & RM3 Zoning to Reflect Historic Patterns

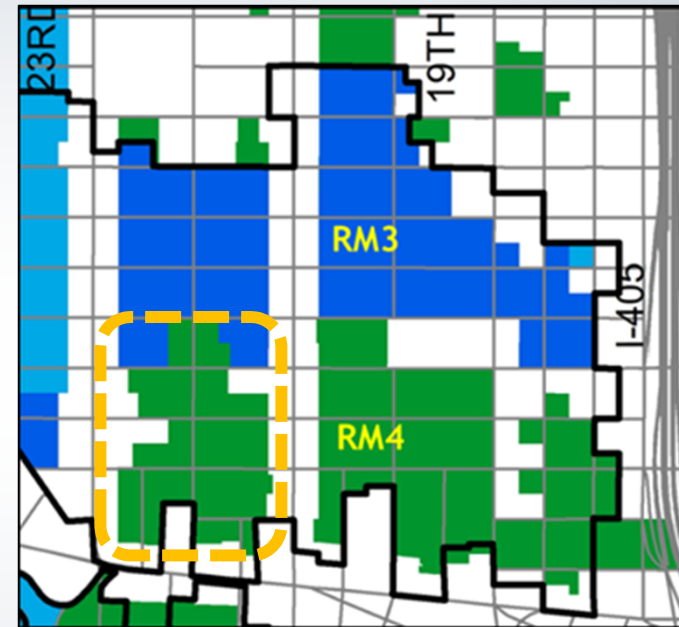
Smaller buildings clustered to north



## 2B: In the Alphabet Historic District, Assign RM4 & RM3 Zoning to Reflect Historic Patterns



*Original Proposal*  
(based on existing zoning)

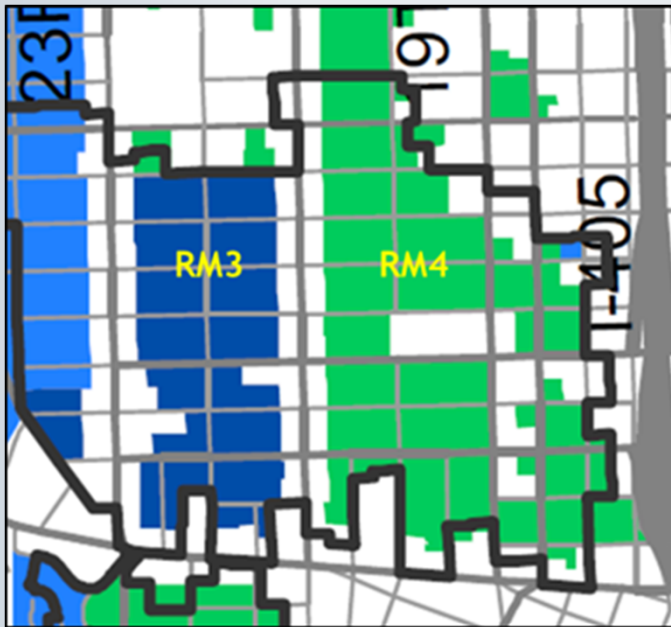


*Recommended Changes*  
(based on historic patterns)

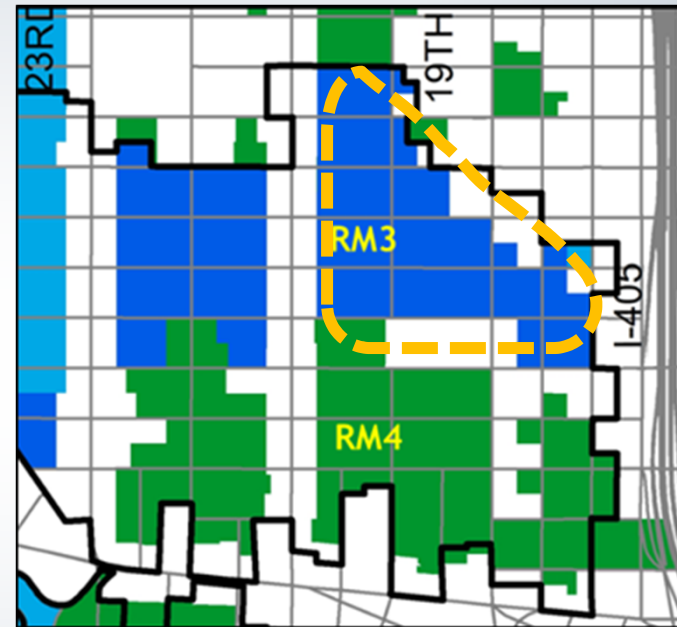
- (1) Apply RM4 zoning between NW 21<sup>st</sup> & NW 23<sup>rd</sup> south of Glisan/Hoyt
- (2) Apply RM3 zoning east of NW 21<sup>st</sup> north of Glisan/Hoyt



## 2B: In the Alphabet Historic District, Assign RM4 & RM3 Zoning to Reflect Historic Patterns



*Original Proposal  
(based on existing zoning)*

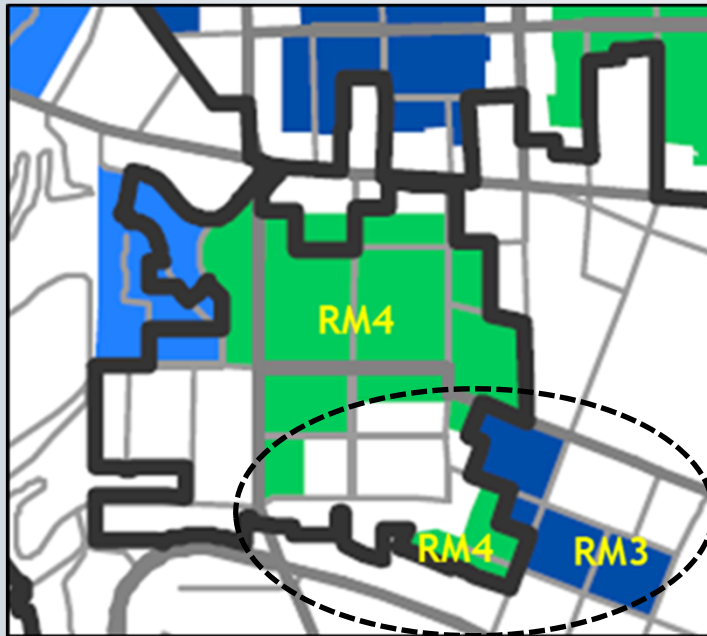


*Recommended Changes  
(based on historic patterns)*

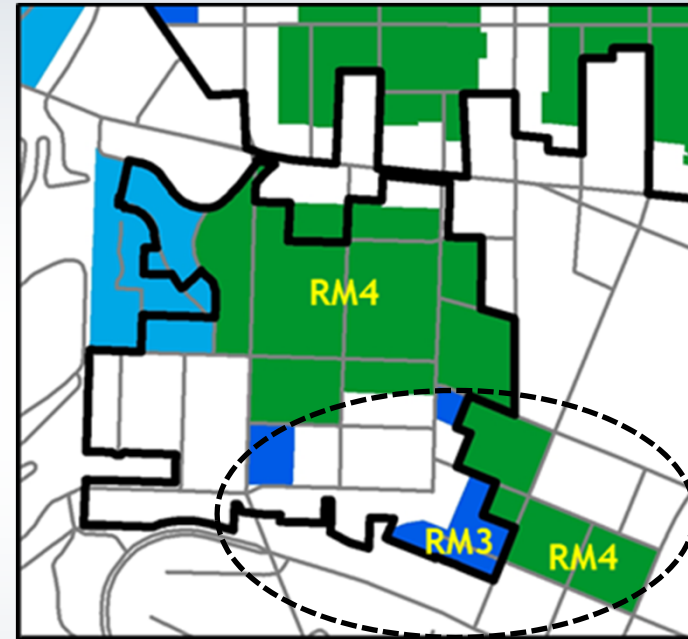
- (1) Apply RM4 zoning between NW 21<sup>st</sup> & NW 23<sup>rd</sup> south of Glisan/Hoyt
- (2) Apply RM3 zoning east of NW 21<sup>st</sup> north of Glisan/Hoyt



## 2C: For the King's Hill Historic District, Reassign RM4 & RM3 Zoning at its Southern Edges to Reflect Development Patterns



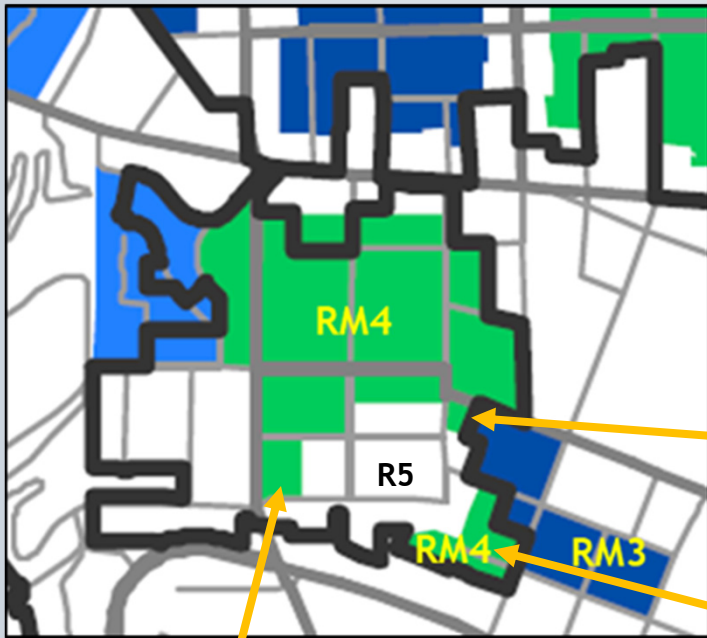
*Original Proposal*  
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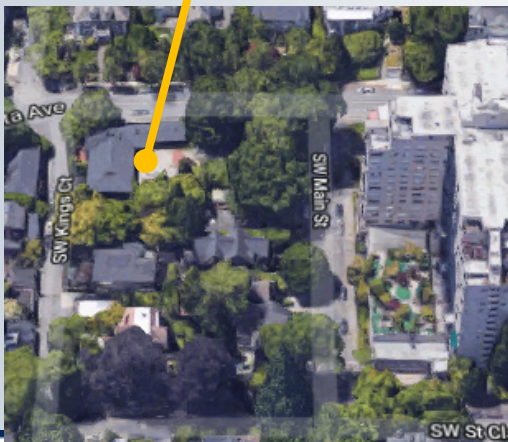
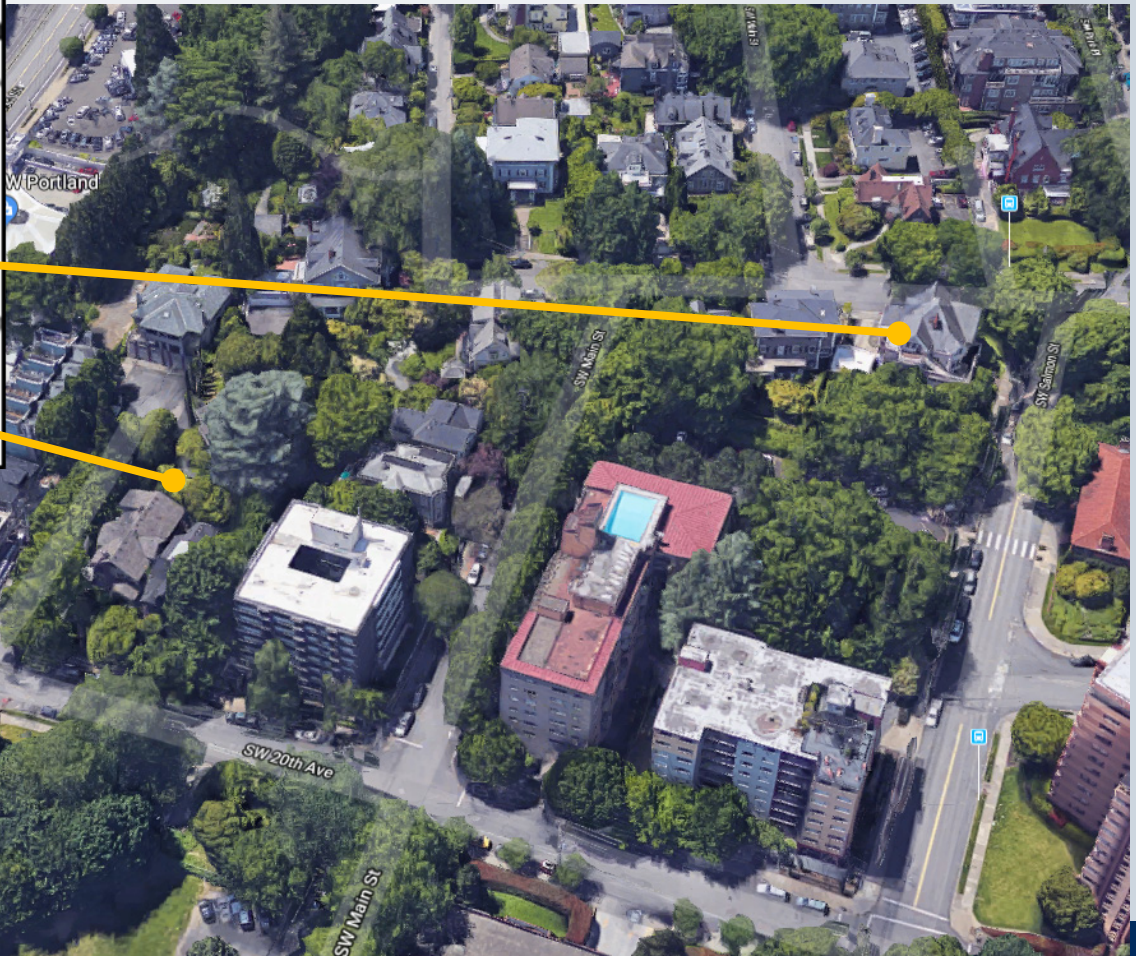
*Recommended Changes*  
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# 2C: For the King's Hill Historic District, Reassign RM4 & RM3 Zoning at its Southern Edges to Reflect Development Patterns



*Original Proposal  
(based on existing zoning)*

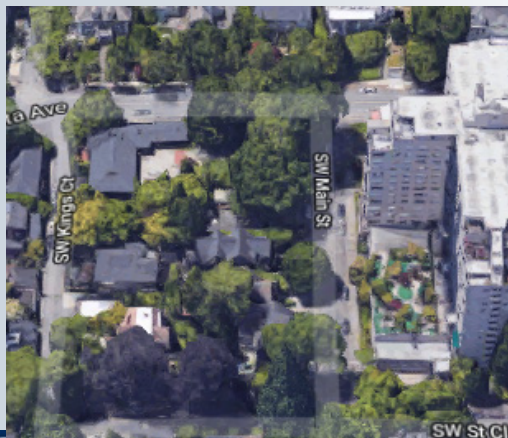
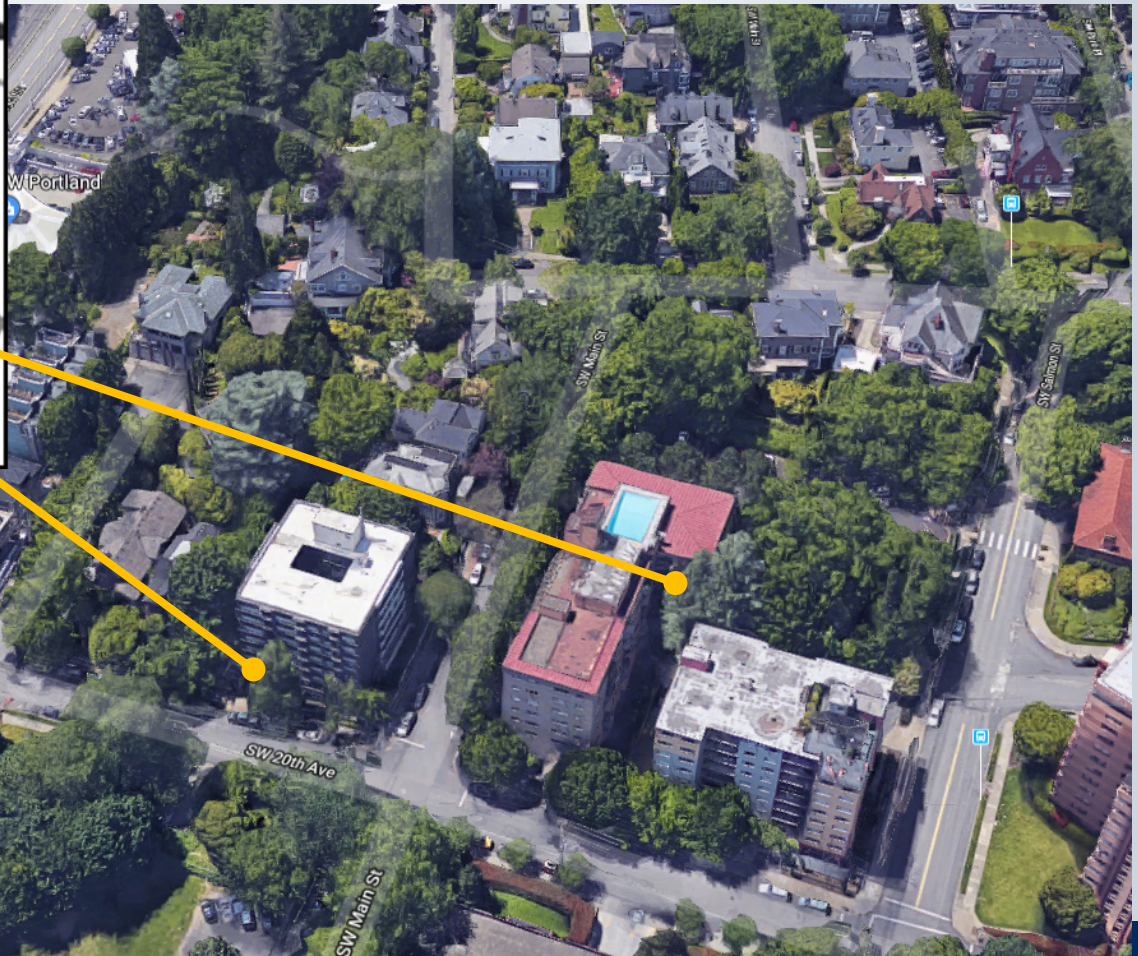
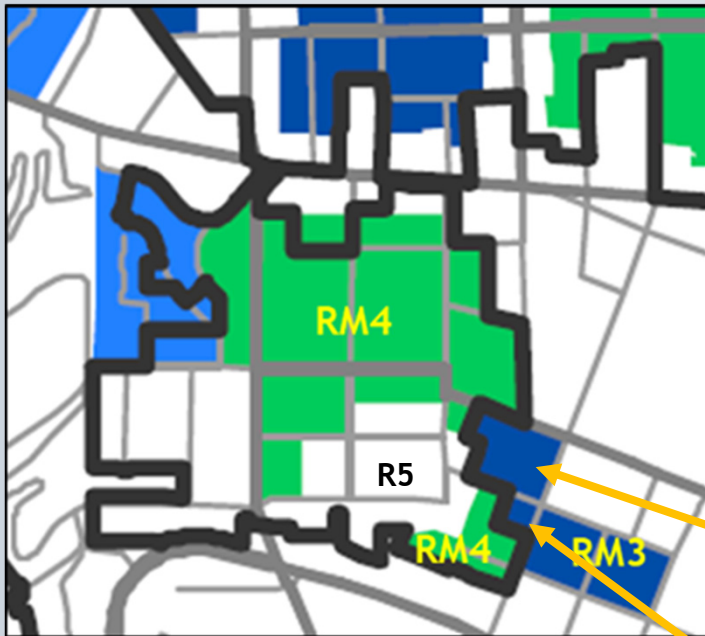




# 2C: For the King's Hill Historic District, Reassign RM4 & RM3 Zoning at its Southern Edges to Reflect Development Patterns

Three-block area east of historic district:

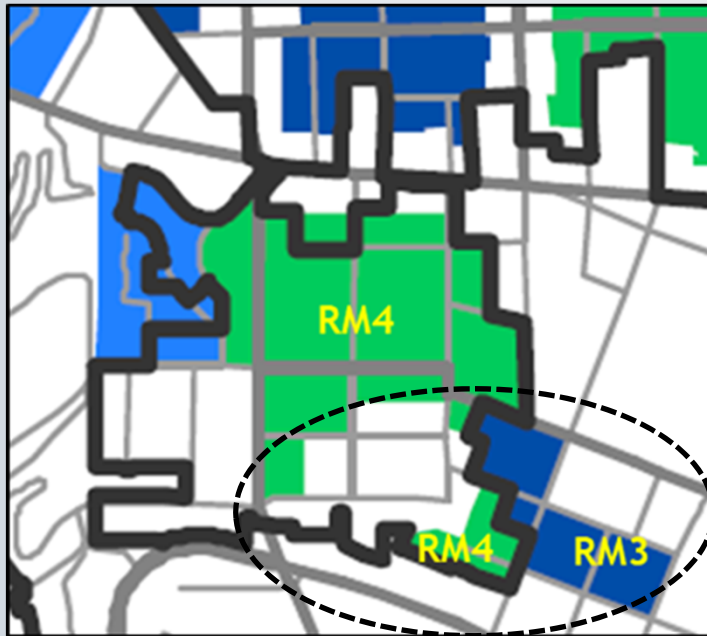
- Currently RH zoning
- Central City Plan District 4:1 FAR
- Two eastern-most blocks currently allow 100' height



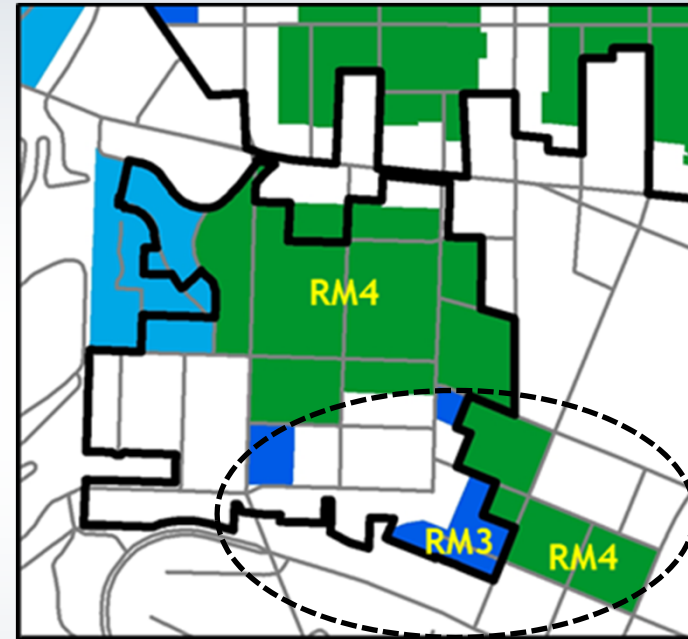
Bureau of Planning and Sustainability  
Innovation. Collaboration. Practical Solutions.



## 2C: For the King's Hill Historic District, Reassign RM4 & RM3 Zoning at its Southern Edges to Reflect Development Patterns



*Original Proposal*  
(based on existing zoning)



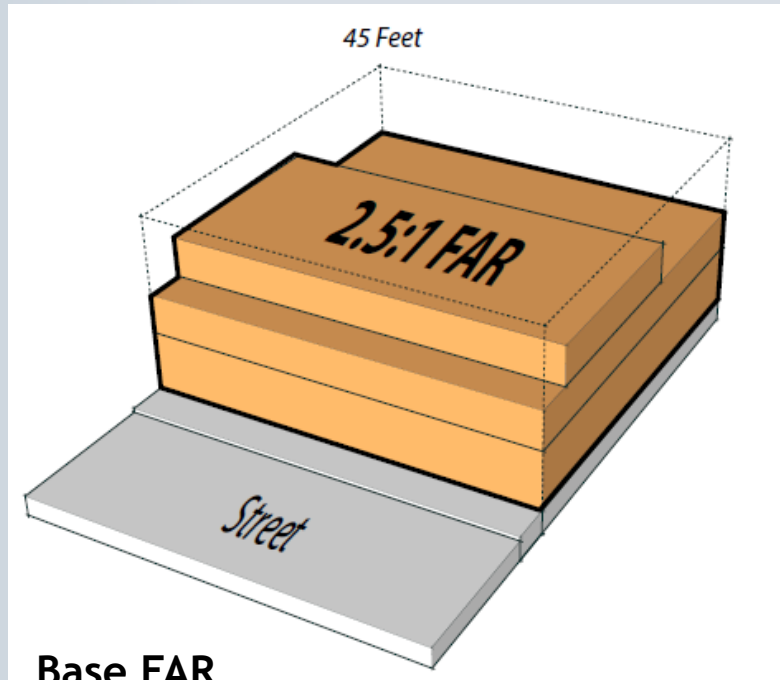
*Recommended Changes*  
(based on existing patterns)

- (1) Apply RM3 zoning to properties in the historic district with small historic structures at southern edge
- (2) Apply RM4 zoning to 3-block area east of the historic district



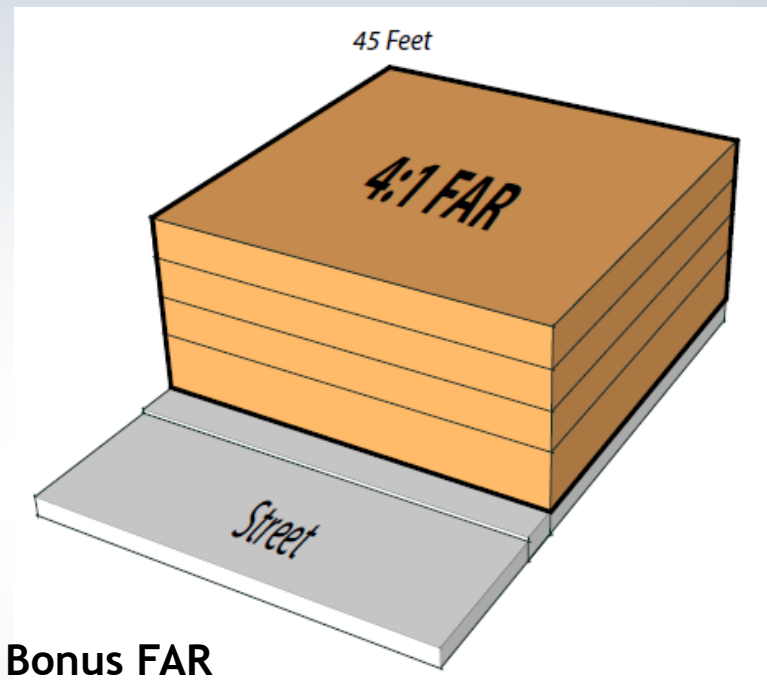
# Topic 2: Historic District Zoning

## CM2 zone example



### Base FAR

*Current maximum in historic districts*



### Bonus FAR

*Achieved through:*

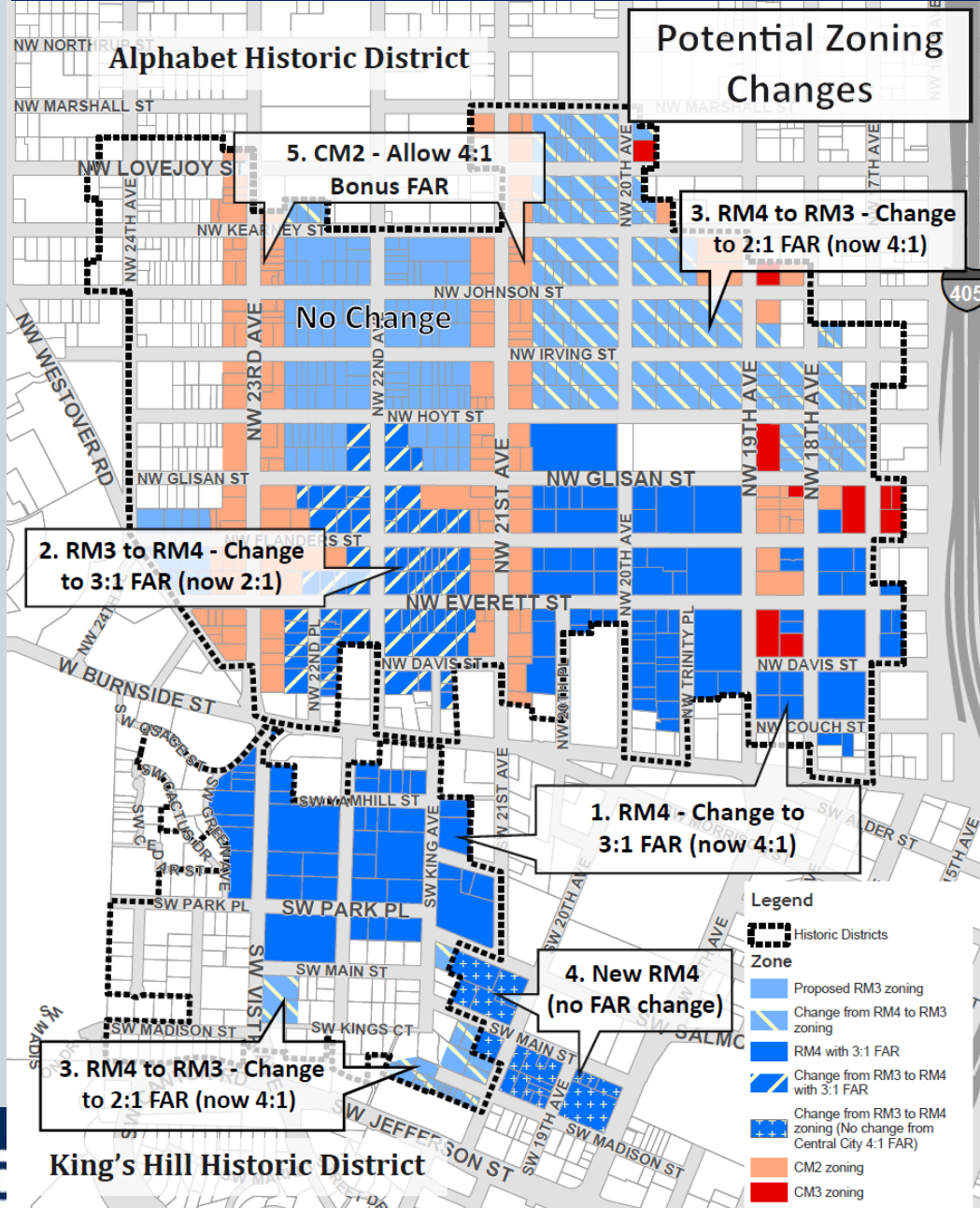
- *Providing affordable units*
- *FAR transfers from other sites*

## Related Revised Proposed Draft Provision

**Allow FAR bonus and transfer allowances in historic districts in mixed use zones (CM2 zone is predominant mixed use zone in historic districts)**



# Topic 2: Historic District Zoning



## Combined Proposals

- 2A. In the RM4 zone in historic districts, provide a base and bonus FARs of 3:1 and 4.5:1 (instead of 4:1 and 6:1).
- 2B. In the Alphet Historic District, apply RM4 zoning south of Glisan/Hoyt and apply RM3 zoning to the north.
- 2C. In the King's Hill Historic District, apply RM3 zoning at its southern edges and apply RM4 zoning to the east of the district.

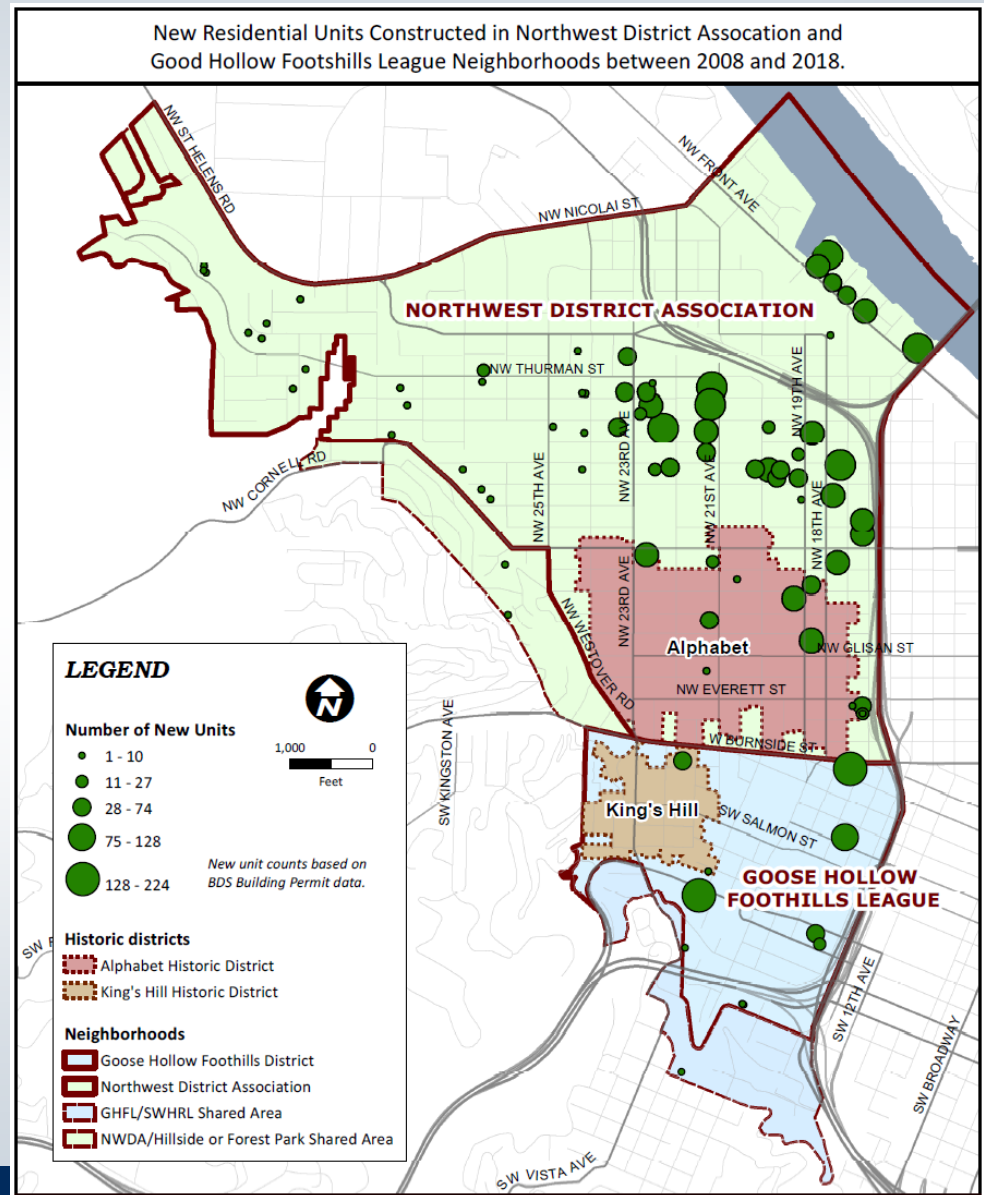
# Topic 2: Historic District Zoning

## Impacts on Housing Capacity

- Capacity for over 12,000 housing units in Northwest District and Goose Hollow.
- Proposals reduce housing capacity by 200 units (*only considering base FAR changes*).
- No loss in capacity if increased bonus FAR capacity considered for large sites.

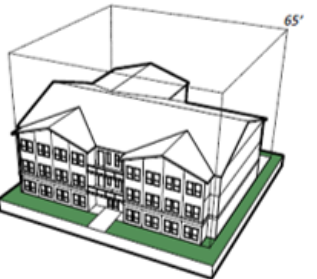

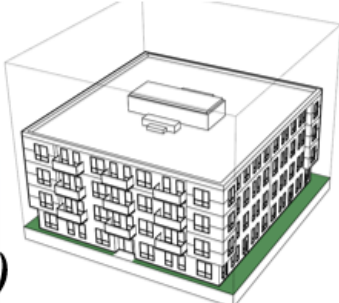
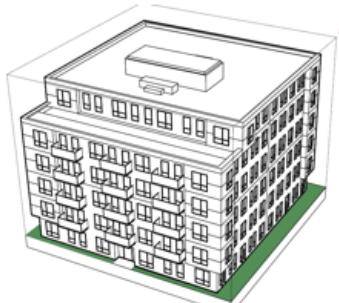
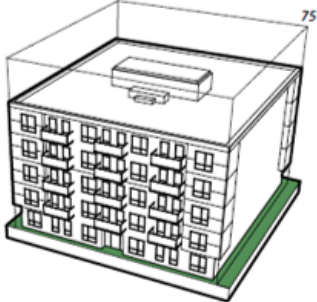

## Past ten-year trend:

The Northwest District and Goose Hollow neighborhoods were the location for over 4,000 new housing units. Only 8% (332 units) have been built in the historic districts.



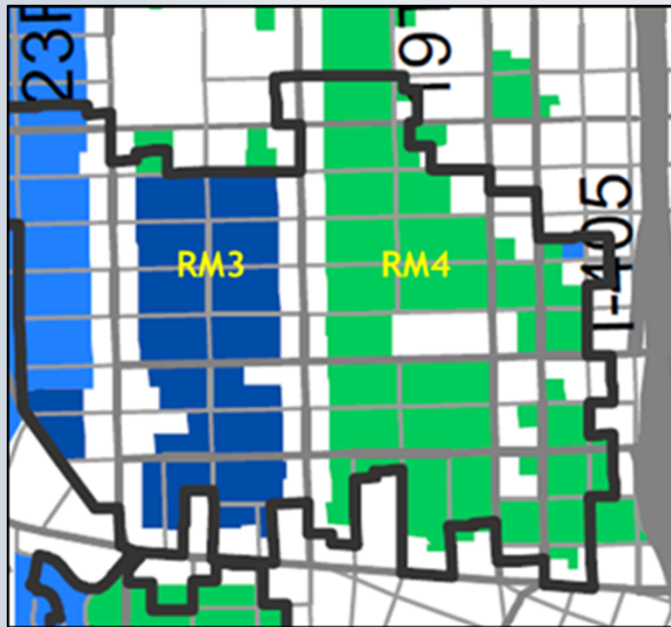
# 2A: Potential Approach for RM4 Zones in Historic Districts

In the RM4 zone in historic districts, provide base and bonus FARs of 3:1 and 4.5:1 (instead of 4:1 and 6:1)

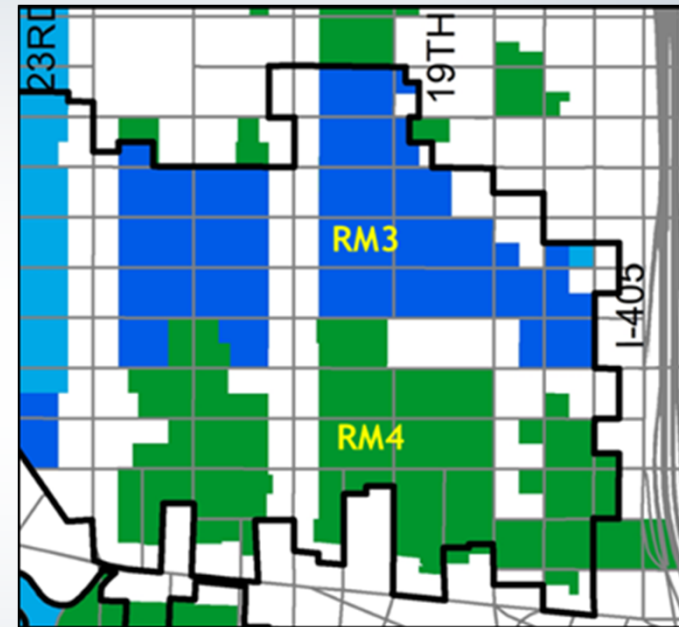
	Base FAR	Bonus FAR	Deeper Affordability Bonus
<b>RM3</b>	 <p>2 to 1</p>	 <p>3 to 1</p>	4 to 1
<b>RM4 (historic districts)</b>	 <p>3 to 1</p>	 <p>4.5 to 1</p>	6 to 1
<b>RM4 (outside historic districts)</b>	 <p>4 to 1</p>	 <p>6 to 1</p>	7 to 1



## 2B: In the Alphabet Historic District, Assign RM4 & RM3 Zoning to Reflect Historic Patterns



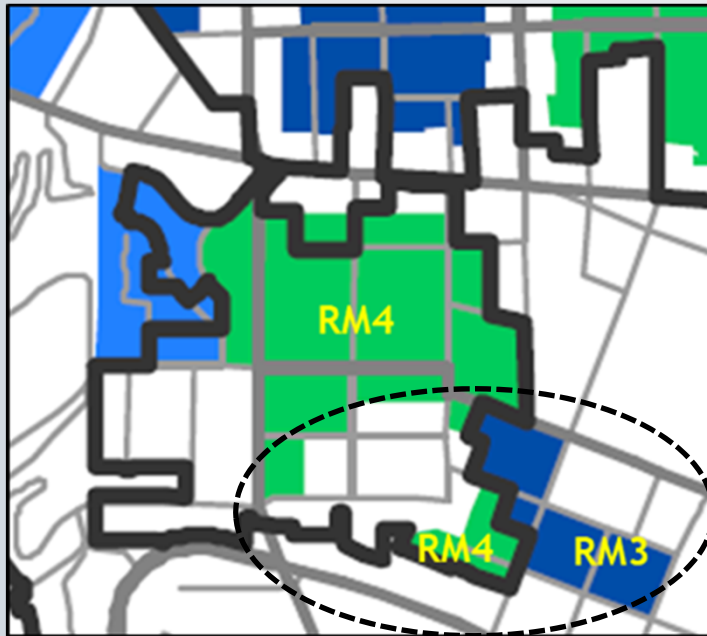
*Original Proposal*  
(based on existing zoning)



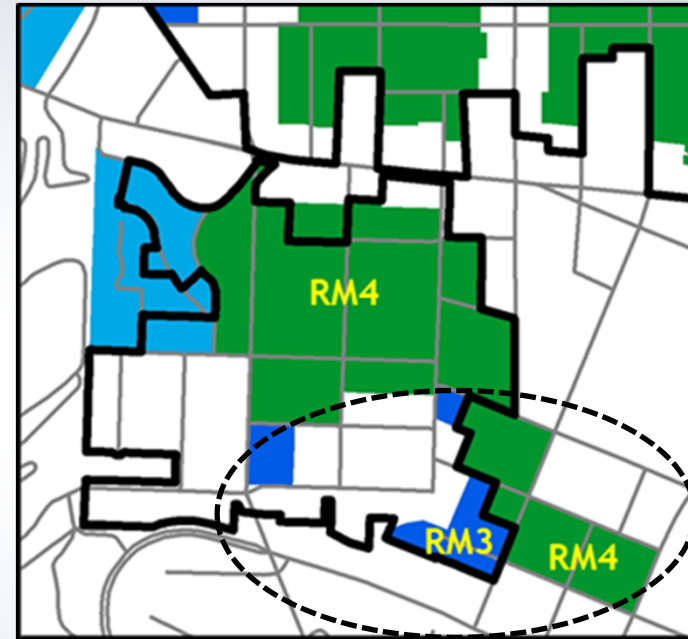
*Recommended Changes*  
(based on historic patterns)

- (1) Apply RM4 zoning between NW 21<sup>st</sup> & NW 23<sup>rd</sup> south of Glisan/Hoyt
- (2) Apply RM3 zoning east of NW 21<sup>st</sup> north of Glisan/Hoyt

## 2C: For the King's Hill Historic District, Reassign RM4 & RM3 Zoning at its Southern Edges to Reflect Development Patterns



*Original Proposal*  
(based on existing zoning)



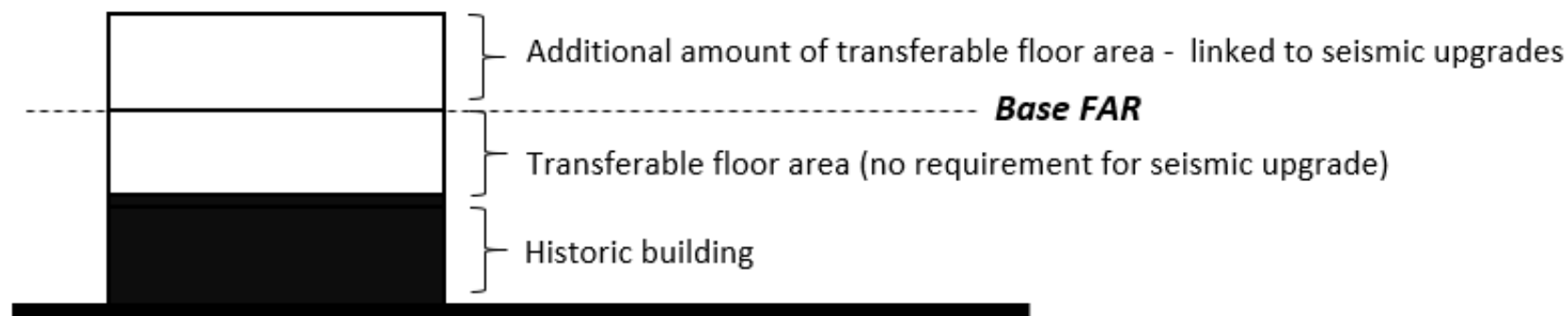
*Recommended Changes*  
(based on existing patterns)

- (1) Apply RM3 zoning to properties in the historic district with small historic structures at southern edge
- (2) Apply RM4 zoning to 3-block area east of the historic district





## TOPIC 3: FAR Transfers for Seismic Upgrades



### Staff Proposal

Allow an additional amount of FAR to be transferred from sites with historic resources, in conjunction with seismic upgrades.

- Additional transferable FAR would be equal to 50% of the base FAR
- Based on provisions adopted for the Central City

