



Portland Housing Bureau

Mayor Ted Wheeler • Interim Director Shannon Callahan

To: Planning and Sustainability Commission

Morgan Tracy, Residential Infill Project Manager, Bureau of Planning and Sustainability

Via: Shannon Callahan, Director, Portland Housing Bureau

From: Jessica Conner, Housing Policy Planner, Portland Housing Bureau

Date: May 18, 2018

RE: Residential Infill Project Proposed Draft

The Portland Housing Bureau (PHB) is grateful for the opportunity to participate in the review of the Residential Infill Project (RIP) zoning code project proposed by the Bureau of Planning and Sustainability (BPS). Driven by our mission to solve the unmet housing needs of all Portlanders, the PHB is committed to equitable housing access and opportunities that safe, stable housing, free from discrimination, can deliver. It is from this lens that the PHB reviews the proposed draft for the RIP.

In the midst of a multi-year housing crisis, continued in-migration and population growth and housing costs that outpace wages, the City of Portland must take bold action to cultivate a variety of housing options to meet the current and future needs of our City's households. The Residential Infill Project is a critical planning initiative on the path for the City to reach this goal. The PHB embraces the core intent of the opportunities that this project seeks to develop. Considering ongoing conversations with Bureau of Planning and Sustainability project staff on the RIP, the PHB amends and clarifies the bureau's preferred policy direction from the previous draft.

The PHB requests the PSC incorporate the following recommendations in to the RIP:

- **The additional housing options (a) overlay zone be should applied to all properties located in the single-family zones, R2.5 through R20.** There should be no exclusion based on geography, proximity (or lack thereof) to transit or amenities, or environmental constraints. We need citywide participation bearing both the perceived benefits and burdens to address our housing needs. There are sufficient existing overlays that address environmental protections and constraints and should therefore not be considered separately.
- **The affordable housing bonus should be required in areas determined to be high risk for displacement.** As a displacement mitigation tool, when developing a lot in one of the areas designated by BPS with a high risk of displacement, the affordable housing bonus and its provisions should be required.
- **Allow all proposed housing types on all lots in single-family zones throughout the city.** The Johnson Economics analysis of RIP does not project a high utilization of the new housing types and even less for the affordability bonus. To encourage development of additional housing types is to allow even greater FAR for duplexes and triplexes, allowing triplexes on internal lots and allow both accessory dwelling units (ADUs) to be either detached from or attached to the primary structure. Detached ADU's can be either attached or detached from each other.
- **The affordable housing bonus should be allowed in all single-family residential zones.** The affordable housing bonus should apply when a single unit is affordable to a household earning no more than 80% of the

median family income when the site has at least 2 units. Allow the fee-in-lieu to apply to triplexes on corner lots.

- **The additional FAR offered for the affordable housing bonus should be allowed to be applied to any structure on the site or be split amongst structures.** The additional FAR should be flexible on the site to allow for creative development of multiple structures and to be adaptable to a variety of development conditions. Density should be calculated before dedicating the right of way.
- **Allow land divisions where the affordable housing bonus is utilized.** To further incentivize homeownership opportunities, allow the option to pursue a land division where at least one affordable for-sale unit is provided. Land divisions support fee-simple ownership, which is the most desirable form of homeownership, adds needed density to our neighborhoods while continuing the basic nature of single-family zones as areas of homeownership. Do not allow a land division where a fee-in-lieu is paid.
- **Create a separate density bonus for visitability standards.** The proposed visitability standards are a step in the right direction to begin to provide more relatively accessible residential units, but should not be a requirement for developing an affordable housing unit. There should be a separate FAR bonus for sites that develop structures with visitability standards. The bonus FAR should be allowed in addition to any other density bonuses received on the site. The ability to layer the visitability bonus on to other bonuses will incentivize higher use of the bonus. If a separate visitability bonus is not used, then provide an exemption from the standards for properties with a greater than 10% slope.
- **Increase the visitability living area space requirement to 100 square feet.** Stakeholder discussions have revealed that 70 square feet of living area is too small of a space for individuals using certain types of mobility chairs. Maintain all other visitability standards as proposed.
- **Rezone sections of R5 to R2.5.** The PHB also supports rezoning approximately half of Portland's narrow lots from R5 to R2.5 and removing parking requirements. The PHB also supports the proposed changes to the R2.5 zone including requiring a minimum number of units on a 5,000-square foot lot for new developments, reducing the minimum width for land divisions, and allowing flag lots.
- **Make additional code changes to support the development of cottage cluster developments.** The PHB highly is supportive of encouraging cottage cluster developments and the allowance of ADU developments on these sites. The return of this type of development is a welcome expansion of missing middle housing and a necessary option on the housing spectrum. There is concern though that maintaining much of the existing zoning regulations regarding planned developments, that developments of these kind will be few and far between. The PHB urges the PSC and BPS staff to further refine this section.
- **Support a front set back of 10 feet in all zones,** except in those instances where a developer requests to align with neighboring setbacks and maintain the current height calculation methodology. The PHB understands the need to respond to concerns regarding the scale and size of new construction and incentivize retaining existing structures. It is logical to do this through height and setback allowance. The buildable envelope proposed, however, is so restrictive that it is unlikely that this proposal will actualize the affordable housing outcomes it aims to fulfill.
- **Continue to support the adaptive reuse of historical structures.** The PHB supports this project's effort to preserve historic resources as well as encourage additional housing opportunities. The preservation of historic

resources section is a compromise between preservation and supported by waived parking, additional FAR, and location flexibility on new units.

The PHB also has technical requests regarding proposed code language:

- **Remove the language “the affordable unit must be as large as one other unit on the site” from the Title 33 code.** This creates consistency with the zoning code and administrative rule making for affordable housing. The PHB will address the details of the affordable housing bonus in their administrative rules as it has for Inclusionary Housing and will do for the bonuses proposed in the Better Housing by Design project.
- **Clarify that fee-in-lieu payments will go in to the Inclusionary Housing Fund.** The proposed code language should be changed for the fee-in-lieu from the “Affordable Housing Fund” to the “Inclusionary Housing Fund”. The Inclusionary Housing fund is the established fund for future affordable housing developments and the appropriate destination for fee-in-lieu payments.

The PHB and City-sponsored housing projects are clearly focused on long-term affordability and stabilization for both renter and owner households. The RIP affordable housing bonus offers the potential to meet housing needs that expand housing choices and opportunities for wealth generation, particularly for homeownership, that City-sponsored housing affordable housing projects cannot meet.

Finally, and in summary, the PHB would like to recognize the time and consideration of BPS staff on the Residential Infill Project as well as the participation by members of the public.

Copy: Susan Anderson, Director BPS
Joe Zehnder, Chief Planner BPS