

DATE: November 12, 2021

TO: Historic Landmarks Commission

FROM: Morgan Tracy, Project Manager

CC: Hillary Adam, Senior Planner

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SUBJECT: Commission Briefing - Residential Infill Project, Part 2

This memo is being provided for your upcoming briefing on the Residential Infill Project – Part 2 on November 22, 2021. Part 1 of the Residential Infill Project was completed in August 2020 and became effective on August 1, 2021. In the interim period, the Department of Land Conservation and Development (DLCD) completed its rulemaking process for implementing House Bill 2001 (aka the Middle Housing bill). Those rules became effective on December 31, 2020 and require cities to come into compliance with adopted code changes no later than June 30, 2022.

Additionally, on May 26, 2021 the governor signed Senate Bill 458 into law. This bill requires cities to allow middle housing development to be divided using an expedited land division process so that dwelling units can be on individual lots for "fee-simple" ownership as an alternative to condominium ownership. This bill becomes effective on July 1, 2022.

Part 2 of the Residential Infill Project is proposing a series of changes to fulfill Portland's compliance obligations under these two bills.



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Proposals

Apply Residential Infill (RIP part 1) Options to R10/R20 Zones

- 1. Establish new building size limits
- 2. Allow Duplexes on all lots
- 3. Allow Triplexes/Fourplexes in certain areas
- 4. Allow a House with 2 ADUs or Duplex with 1 ADU in certain areas
- **5.** Allow Four- to Six-plexes if half the units are "deeply affordable"
- 6. Require a unit be "visitable" when 3 or more units are on a lot

Amendments to All Single-Dwelling Zones

- 7. Allow Attached Houses in certain areas
- **8.** Allow Cottage Clusters in certain areas
- **9.** Apply the 'z' overlay to environmentally fragile and natural hazard areas
- 10. Codify an expedited process to create Middle Housing Land Divisions

Expanding Residential Infill Options to the R10 and R20 zones

The first 6 proposals essentially take the housing types that were adopted for R2.5, R5, and R7 zones in Part 1 of the Residential Infill Project and applies these allowances and limitations similarly to the low density R10 and R20 zones, per the direction of HB2001. Floor area ratio limits will apply to smaller lots in these zones to address compatibility issues while recognizing the wide variety of lot sizes in these zones and that larger sites present fewer compatibility challenges. Middle housing types other than duplexes will be allowed on sites outside the Constrained Sites 'z' overlay zone, when the lot meets minimum site size requirements and is located on a maintained street. And visitability requirements will apply on sites with 3 or more dwelling units.

New changes to respond to state mandates

Proposals 7-10 include two new housing types; higher density attached houses and cottage clusters. Moreover, a few modifications were needed to bring the Constrained Sites 'z' overlay zone into conformance with the State's rules. These include incorporating the environmental overlay zone, and adding wildfire risk. Lastly, Senate Bill 458 requires cities to allow middle housing to be split into separate lots (e.g. a fourplex with each unit on its own lot, attached to other units at the property line) using an expedited process, as an ownership alternative to condominiums.





Specific Historic Resource Issues

While the Residential Infill Project – Part 2 is not proposing any changes to Chapter 33.445, Historic Resources Overlay Zone, there are two changes that potentially affect Historic and Conservation districts and resources.

Removing the limitation on demolished resource sites.

With RIP1, City Council approved an amendment that limits sites from proposing 3 or more units when "a Historic or Conservation Landmark or a contributing structure in a Historic or Conservation District was demolished within the past ten years unless the landmark or contributing structure was destroyed by fire or other causes beyond the control of the owner, the only structure that was demolished was an accessory structure, or the demolition was approved through demolition review."

This was intended to primarily address resources in Conservation Districts that are only subject to demolition delay, and not a demolition review process. However, two subsequent changes remove the need for this section of code.

First, the Historic Resources Code Project is proposing to add a demolition review process for conservation districts (HRCP Vol. 2, p 124-125). That review process can determine whether there are practicable alternatives to add dwelling units without demolition, among weighing other review criteria and policies. Non-exempt structures will no longer be eligible for demolition after simply waiting for 120 days and must have undergone this demolition review.

Second, the Oregon Administrative Rules for HB2001 state that cities may not impose siting or design requirements that discourage the development of middle housing through unreasonable cost or delay. A 10-year prohibition would likely be viewed as an unreasonable delay.

Removing the prohibition for manufactured homes in Historic or Conservation Districts

Currently, Chapter 33.251, Manufactured Homes and Manufactured Dwelling Parks, prohibits Manufactured Homes in Historic Districts and limits sites in Conservation Districts to a single Manufactured Home. This prohibition is being removed for several reasons:

• Exclusionary housing policy. Manufactured homes provide lower cost options for housing. The average sales price for a manufactured home was \$87,000 in 2020 compared to the average sales price for a site-built home of \$308,000 excluding land costs, according to the U.S. Census Bureau¹.

¹ https://www.census.gov/data/tables/time-series/econ/mhs/annual-data.html





- Historic resource review will address compatibility issues. Placement of a manufactured home is considered development that is subject to the applicable level of historic resource review, similar to site-built construction.
- Construction technology, materials and styles for manufactured homes has progressed significantly. Removing the prohibition allows this structure type to be reviewed under the historic code just like any other home.
- Changes made previously with Residential Infill Part 1 removed the 1,000 sq ft minimum floor area requirement for manufactured homes, enabling their use as Accessory Dwelling Units (ADUs). Small ADUs will be exempt from historic review in districts but not on sites with landmarks, if they meet the following additional requirements in residential zones:
 - Not larger than 24 feet by 24 feet,
 - Not more than 15 feet high
 - Windows and doors are made of wood, metal clad wood, or fiberglass;
 - Windows are recessed from the façade;
 - o If there is a contributing resource on the site, the exterior finish material must match
 - If there is no contributing resource on the site, the exterior finish material is wood or composite boards in a shingle, horizontal clapboard, or shiplap pattern.



