



THE BUREAU OF **PLANNING
& SUSTAINABILITY**

Portland Planning and Sustainability Commission

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Mayor Wheeler and City Commissioners
City Hall
1220 SW 4th Ave
Portland, OR 97205

Dear Mayor and City Commissioners,

The Planning and Sustainability Commission (PSC) is pleased to offer our support for the Residential Infill Project – Part 2, scheduled for your consideration in Spring 2022. The Commission voted unanimously on February 8, 2022, to recommend adoption of the Zoning Code amendments and related changes to the zoning map which will collectively add more residential infill options to complement Part 1 of the project which was adopted in 2020.

Adoption of this project will bring Portland into conformance with Oregon House Bill 2001 and Senate Bill 458 regarding providing pathways to create middle housing. To accomplish this, the proposal:

- Expands middle housing allowances to low density R10 and R20 areas.
- Adds two new types of middle housing options throughout the city: cottage clusters and higher density townhouses.
- Creates a new “Middle Housing Land Division” procedure to enable middle housing to be divided into separate fee-simple lots for increased homeownership opportunities.

Due to the compliance requirements of those bills, the PSC was confined in both project scope and timeline. We support most of Bureau of Planning and Sustainability’s staff proposal;



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

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however, in response to thoughtful and creative testimony received, there were several amendments that the PSC voted to incorporate into our Recommended Draft. Three of the more substantive amendments are described here:

1. Narrowing the use of wildfire risk in the proposed Constrained Sites 'z' Overlay Zone.

When this project is adopted, middle housing will be allowed in all residential areas of Portland except for areas constrained by natural resources or natural hazards – the Constrained Sites 'z' Overlay Zone. With this project, staff proposed to include the presence of wildfire risk as a component for the 'z' Overlay Zone.

The Commission was concerned with this approach for several reasons. First, it could perpetuate the exclusivity of R10 and R20 zoned neighborhoods by limiting housing options in those areas. Second, the 'z' Overlay Zone places new constraints on R2.5, R5, and R7 neighborhoods that were included in the first part of the Residential Infill Project. Underlying these impacts is the Commission's concern that the wildfire maps informing the overlay zone are more than 20 years old and do not reflect more recent climate models or capture current development.

In weighing competing Comprehensive Plan policies relating to increasing access to housing and limiting development in areas prone to natural hazards, the Commission arrived at a measured and precautionary approach for the lower density zones, while not expanding the 'z' Overlay Zone in the higher density zones that were already discussed during the first Residential Infill Project. The Commission acknowledges the need for a holistic review of wildfire risk based on new data and recommends that, until this data and analysis is available, higher density R2.5, R5, and R7 zones currently covered by RIP 1 remain unencumbered by the wildfire risk component of the 'z' Overlay Zone. For R10 and R20 zones not currently included in RIP 1, the Commission is recommending that the 'z' Overlay Zone include wildfire risk as currently mapped.

This is an interim solution and we recommend that the issue be revisited after new data is available from the State of Oregon so that wildfire risk and emergency response can be more holistically evaluated in terms of other risks from climate change as well as against infrastructure demands, capital expenditures, and overall housing affordability to ensure equitable land use and housing outcomes.



2. Creating a “detached duplex” option

The PSC heard testimony calling for “greater ADU fairness” and creating more options for fee-simple homeownership. Based on existing Accessory Dwelling Unit (ADU) rules, the size of the ADU cannot be larger than 75% of the size of the house or 800 square feet. For smaller houses, this meant that the ADU could not achieve the full 800 square feet. Testifiers also sought to allow ADUs to be divided to create new homeownership opportunities. However, a key limiting factor is that SB458 does not apply to ADUs.

Administrative rules adopted by DLCD to implement HB2001 permit, but do not require, cities to allow “detached duplexes.” The PSC discussed several options to address these issues and is ultimately recommending adding this option to the slate of middle housing types. This type of middle housing provides for two units in separate buildings to be called a duplex, and thus be eligible for a middle housing land division. The size of the two units is limited by the overall floor-to-area maximum for the site, which offers greater benefits to existing smaller homes. In order to leverage this option as a tool for anti-displacement, we included a requirement that this only be available for sites that preserve an existing house.

3. Reducing minimum lot size standards for triplexes and fourplexes.

The PSC reduced the minimum lot sizes adopted with RIP1 for triplexes and fourplexes to match the lot sizes required for houses and duplexes. Setbacks, building coverage, FAR and height limits determine the overall building size allowed on a lot. While staff expressed concerns that resulting unit sizes would trend toward smaller studio and single room units, the PSC found that providing greater flexibility for developers to create such units, if they so choose, was a net benefit since more units overall would be created and they would still need to meet minimum size requirements of the building code.

There was interest from the PSC to create more viable pathways for affordable housing providers to utilize the deeper affordability bonus that Council adopted as part of RIP1. The providers and others noted that the current rules allow six units, but to comfortably fit on a 5,000 square foot lot, the units must be “stacked” two-over-two-over-two. Constructing units as six “side-by-side” is less costly and generally preferred since each unit has a ground floor entrance. The challenge of this approach is that on smaller lots, a 6-unit “side-by-side” building



occupies much of the available open area and requires extensive relaxation of the zoning development standards.

We attempted to develop a workable alternative, but simply did not have sufficient time to fully research, develop and vet a proposal. We have asked project staff to continue to work with affordable housing providers in the hopes that a workable solution can be presented to Council for your consideration as part of your hearings process.

The PSC is very excited with the prospects of Middle Housing Land Divisions to create more first-time homeowner possibilities from middle housing that gets built. We did not spend an extensive amount of time with this part of the proposal and understand that staff is currently undertaking a series of discussions with infrastructure bureaus to ensure the application process is in place by July 1, 2022. We want to communicate the importance that the process not create obstacles or undue burden that might undermine successful implementation of this new type of land division.

The PSC recognizes that the Residential Infill Project – Part 2, while including several measures to reduce displacement risk, may not go as far as needed to fully address the City's housing cost and displacement issues, but that there are limits within both statute and market economies that cannot be redressed through zoning alone. This Commission will continue to encourage Council to enact policies and take actions that improve housing affordability and reduce displacement of low-income households.

In conclusion, we recommend the Residential Infill Project – Part 2 for adoption by City Council because it provides multiple pathways to ownership access and plays a key role toward meeting our housing supply and equity goals. It is also necessary to meet, and in some ways exceeds, Oregon's requirements under HB2001 and SB458.

Respectfully submitted,



Erica Thompson
Vice Chair

