

Date: September 19, 2024

To: Historic Landmarks Commissioners

From: Phil Nameny, Senior Planner

CC: Sandra Wood, Principal Planner

Patricia Diefenderfer, Chief Planner, BPS

Kara Fioravanti, Portland Permitting & Development

Re: Housing Adjustment Compliance Project – Planning Commission Recommendation

The purpose of this memo is to inform the Landmarks Commission of a proposed change in the zoning code related to adjustments and modifications to height maximums in the Central City Plan District. The proposed change is tentatively scheduled for a hearing at City Council on October 30, 2024.

The <u>Housing Adjustment Compliance Project</u> aligns Portland's zoning code adjustment provisions with the state rule adopted through Senate Bill 1537. The bill requires local jurisdictions to allow adjustments to a variety of development standards, including maximum height. The height adjustments apply to developments where at least 75% of the floor area is in residential use. The bill states that adjustments must be allowed to both base and bonus heights and that adjustments must be allowed up to at least 20% of the base height or one story, whichever is more. Jurisdictions can allow for greater allowances or not set a cap at all. For the purposes of this bill, we considered one story to be the equivalent of 10-feet. The bill's requirements remain in effect until January 2, 2032.

Portland's zoning code prohibits adjustments to the heights in many places, including the Central City Plan District, which include several historic districts. As a result of the passage of SB 1537, this project proposed to temporarily allow adjustments of up to 20% of the base height, or 10-feet whichever was greater. Staff's approach was to provide the minimum amount of regulatory change required by the bill



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and defer to the upcoming Central City Code Amendment Project to research and determine whether height maximums need to be changed in the Central City.

After hearing testimony in support of greater height adjustments, the Planning Commission voted to remove the 20% upper limit. Commissioners saw this change as a continued commitment to increasing housing production and removing a barrier to housing development in the Central City. Their recommendation with this change reflects their confidence in the approval criteria and in staff's and the Landmarks Commission's ability to make thoughtful decisions. Planning Commission's amendment to the staff recommendation only applies to Central City. Outside of the Central City, height adjustments will be limited to a maximum of 20% above base and/or bonus heights in areas where they were previously prohibited.

As a reminder, below is a table summarizing the procedures assigned to different projects. The table reflects recent changes made through the Historic Resource Code Project (HRCP). Affordable housing projects meeting certain targets will only be subject to a staff level review.

Type of Project	New over 5,000 s.f. size / Addition w/project value > \$561,650	New 800-5,000 s.f size/ Addition w/project value <= \$561,650
Building or alteration not under special affordability restrictions	Type III, hearing, pre-app required	Type II, staff decision, hearing on appeal
Building, 50% units at 60% MFI	Type II w/DAR option, or Type III as above	Type II as above
Building, 90% units at 60% MFI	Type Ix w/DAR option, or Type III as above	Type Ix option, or Type II as above

Because the Landmarks Commission may be the review body for Central City projects affected by this amendment, staff wanted to provide this updated information. We are tentatively scheduled for a hearing at City Council on October 30th and would be happy to attend a future Commission meeting, if requested. The drafts and amendments have been posted on the project web page.



