



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

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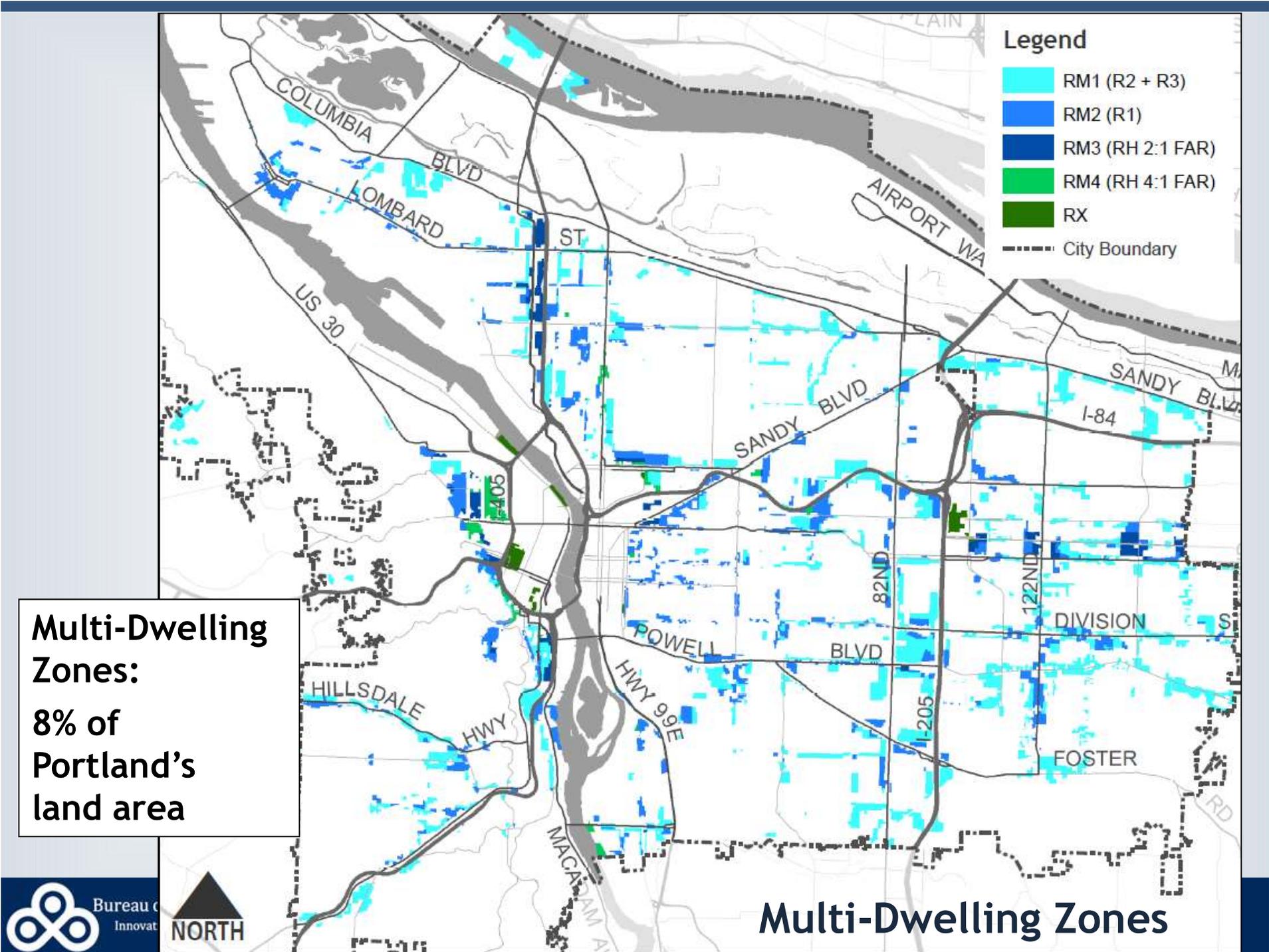
Agenda

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?

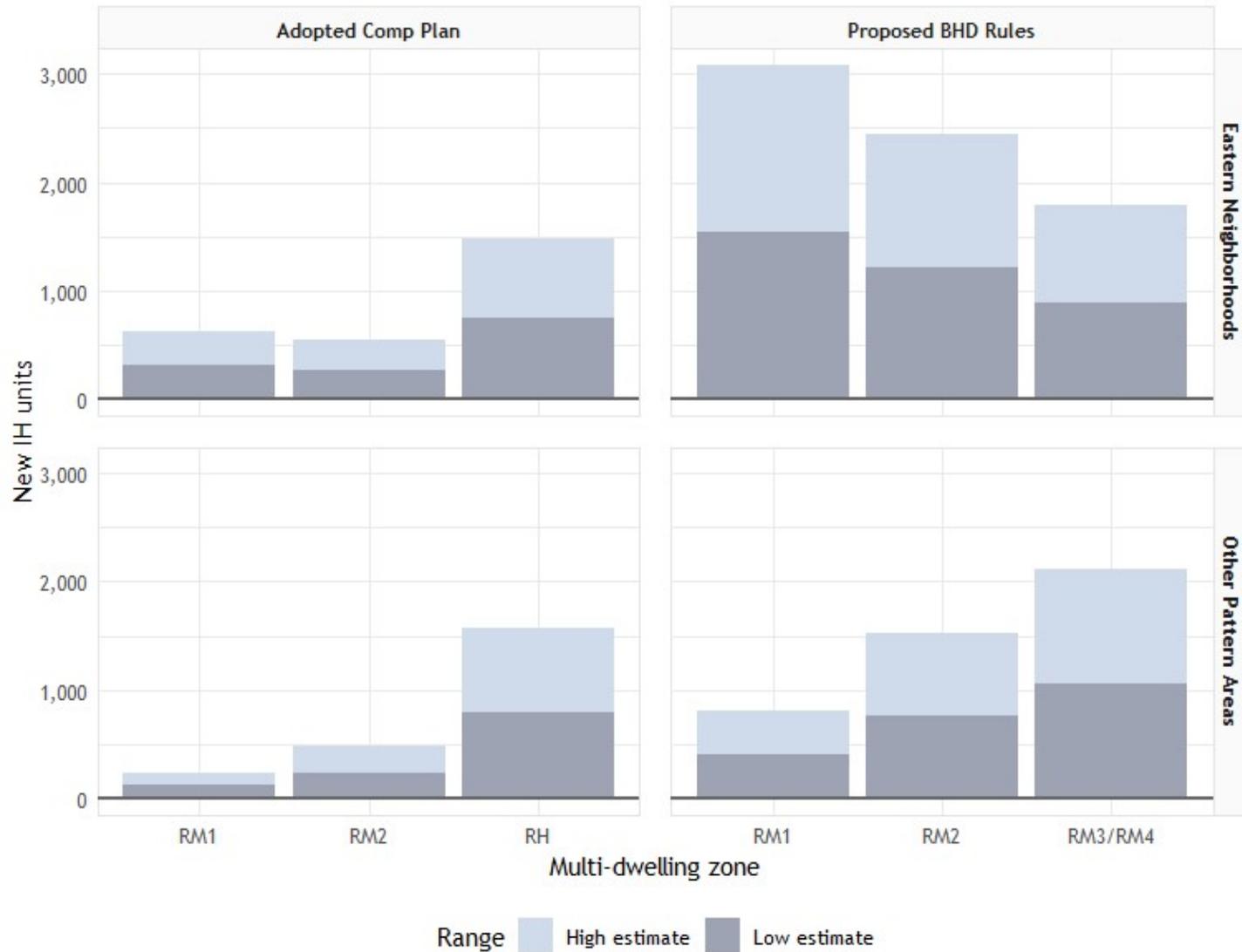


Development Opportunity

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 |
| Total capacity | 53,821 | 97,587 | 43,766 | 3,417 | 6,835 |
| Small sites (< 20 units) | 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 |
| Large sites (>= 20 units) | 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.
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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 9th
work session

Technical
Amendments



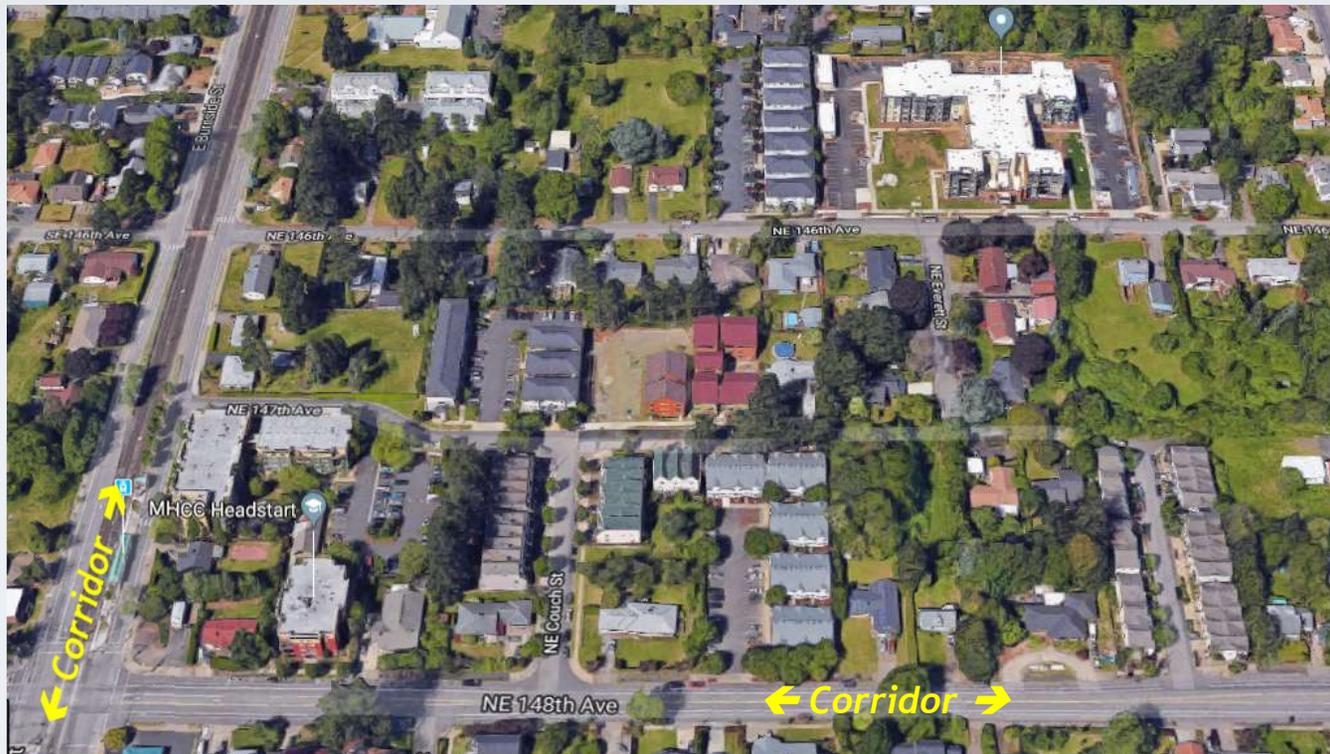
New Potential Amendments (requested by commissioners)

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.**





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