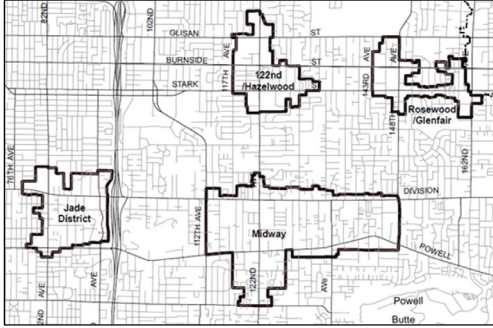


Better Housing by Design: Worksheet for PSC Work Session on April 9, 2019

Topics: Eastern Portland minimum site frontage requirements and historic district approaches

ITEM	PROPOSED DRAFT PROPOSAL AND BACKGROUND INFORMATION	POTENTIAL AMENDMENTS
1	<p>Eastern Portland minimum site frontage.</p> <p>This proposal requires a minimum site frontage of 90 feet for new development on deep sites in four centers in Eastern Portland. The intent of this minimum site frontage requirement is to:</p> <ul style="list-style-type: none"> • Provide enough site width to accommodate new street connections in areas lacking street connectivity, where the narrow widths of properties have been a barrier to achieving new connections. • Ensure sites are wide enough to accommodate quality site design, avoiding the constraints of narrow deep sites which typically provide little opportunity for outdoor space, street-oriented buildings, etc. <p>Both these objectives are intended to respond to community concerns about the lack of street connections and poor site design in East Portland. Properties more than 160-feet deep not meeting the minimum site frontage standard would need to be combined with adjacent properties to create larger sites before development could occur, or could be approved through a planned development review to address design issues. Exemptions would be provided for sites flanked by properties already containing multi-dwelling development. For more information, see pages 48-49 in Volume 1, and pages 52-53 in Volume 2 of the Revised Proposed Draft.</p> <p>The PSC, during their October 9th work session, requested that staff undertake an analysis to identify how many narrow/deep properties are already developed or are flanked by substantially-developed properties to assess the extent to which the regulations would have an effective impact on future development.</p> <p>Summary of staff analysis</p> <p>Project staff analyzed the four areas proposed for the minimum site frontage requirement to determine the extent to which underutilized sites (per the Buildable Lands Inventory) are located adjacent to one another, providing opportunities for lot consolidation. (see Map 1 – Eastern Portland Narrow Sites Analysis). Staff found that this condition varies considerably by area. The four areas combined include 452 narrow/deep properties in the multi-dwelling zones (167 acres) that do not meet the minimum site frontage standard.</p> <ul style="list-style-type: none"> • In the Jade District and Rosewood areas, over 40 percent of the area’s narrow/deep properties are underutilized and are adjacent to other underutilized properties (shown in red on Map 1), providing opportunities for lot consolidation as future development occurs. • In the Midway and 122nd/Hazelwood areas, narrow/deep properties are more often already substantially developed or scattered (shown in pink on Map 1) and less than 25 percent of the area’s narrow/deep lots consist of underutilized properties adjacent to other underutilized narrow/deep properties. <p><i>See also separate Map 1 – Eastern Portland Narrow Sites Analysis</i></p> 	<p>POTENTIAL AMENDMENTS</p> <p><i>Based on the analysis of the proposed Eastern Portland minimum site frontage areas, staff suggest the following options for PSC consideration:</i></p> <p>Option 1: Retain the proposed minimum site frontage requirement for all four centers. This option would maximize the applicability of this regulatory tool and its potential to encourage lot consolidation in these Eastern Portland centers. However, this broad approach would complicate development in areas, such as the Midway and 122nd/Hazelwood centers, that have relatively few opportunities for the consolidation of underutilized narrow/deep properties.</p> <p>Option 2: Keep the proposed minimum site frontage requirement for the Jade District and Rosewood areas, but drop the requirement for the Midway and 122nd/Hazelwood areas. This option provides a more strategic approach. Retaining the requirement in the Jade District and Rosewood areas would respond to the fact that there are a substantial opportunities for lot consolidation that can facilitate street connections and support better site design. These two areas were also the focus of PBOT’s Connected Centers Street Plan (see Appendix G) and its analysis of needed street connections. The other two areas have fewer opportunities for consolidating underutilized properties. <i>Staff supports this option.</i></p> <p>Option 3: Drop the minimum site frontage requirement entirely. This option would reduce the ability to use zoning code regulations as a tool to encourage narrow/deep sites to be consolidated, potentially reducing opportunities for new street connections and improved site design, but would minimize barriers to development on small sites in Eastern Portland. This option would be more dependent on PBOT’s Connecters Centers proposals for narrower types of streets to achieve new connections and other zoning code proposals intended to reduce the costs of providing street connections (such as the proposal to calculate development allowances [FAR] prior to the dedication of site area for streets).</p>

ITEM PROPOSED DRAFT PROPOSAL AND BACKGROUND INFORMATION POTENTIAL AMENDMENTS

2 Historic District Zoning

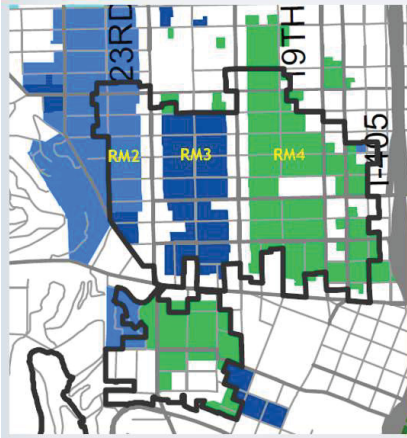
During the November 13th PSC work session, commissioners directed staff to continue looking into potential approaches for higher-density multi-dwelling zones in historic districts, particularly regarding approaches that can balance policy objectives that prioritize providing opportunities for affordable housing and other housing options in close-in locations, with policies that call for zoning appropriate for the character of historic districts.

Staff's work was also informed by discussions between Historic Landmarks commissioners and PSC commissioners, where Historic Landmarks commissioners indicated that context is key in their review of new development in historic districts and that the base/bonus scale may not be approved if out-of-scale with the historic context – they related that this is of particular concern with the largest scale RM4 zone. PSC commissioners related the importance of the role of development bonuses in providing incentives for affordable housing, especially in historic districts given their close-in locations, and raised concerns about the effectiveness of affordable housing bonuses that may not have much of a chance of being approved.

Proposed Draft zoning:

- Applied the RM3 zone to areas that currently have RH zoning with a base FAR of 2:1.
- Applied the RM4 zone to areas that currently have RH zoning with a base FAR of 4:1
- No changes were proposed to these base FARs.

Alphabet and King's Hill Historic Districts



Proposed Multi-Dwelling Zoning

	Base FAR	Bonus FAR
RM2 (R1)	1.5 to 1	2.25 to 1
RM3 (RH 2:1)	2 to 1	3 to 1
RM4 (RH 4:1)	4 to 1	6 to 1

Staff analysis and outreach

Staff analyzed existing development scale in the two historic districts outside the Central City proposed for RM4 zoning, which are the Alphabet and King's Hill historic districts. The RM4 zoning for these districts is proposed for properties that currently have RH zoning with a 4:1 FAR (RM3 zoning is proposed for properties with RH zoning that currently have a 2:1 FAR).

The intent of this analysis was to determine how the proposed base and bonus FARs compared to the scale of historic buildings. Staff found that larger historic buildings in both districts had a scale that ranged from FARs of 3:1 to about 4.5:1 (buildings up to an FAR of 2:1 were especially common). The proposed RM4 bonus of up to 6:1 is considerably greater in scale than even the larger historic buildings in these districts.

Staff also found that some areas, particular the current RH-zoned area between NW 21st and NW 23rd, between Burnside and Hoyt, had many historic buildings that are considerably larger than allowed by the RH zoning with a base FAR of 2:1 that currently applies in this area. The analysis showed that in the Alphabet Historic District, larger historic buildings are

Based on staff analysis and input from community members, staff recommend the following changes to the proposed zoning map and regulations for the Alphabet and King's Hill historic districts:

2A. In the RM4 zone in historic districts, provide base and bonus FARs of 3:1 and 4.5:1 (instead of the currently proposed RM4 FARs of 4:1 and 6:1).

These base and bonus FARs would allow new development similar to the scale of larger historic building in the historic districts proposed for the RM4 zone. The bonus FAR of 4.5 to 1, achievable through the inclusionary housing bonus that is mandatory for buildings with 20 or more units, would allow development that is a little larger than the base 4:1 FAR that currently applies in the larger-scale RH zoning. The proposed changes would allow a larger bonus of up to 6:1 for projects using the deeper housing affordability bonus (qualifying projects would need to have at least half of units affordable to household earning no more than 60 percent of median family income).

Potential RM4 Approach for Historic Districts

	Base FAR	Bonus FAR	Deeper Affordability Bonus
RM3	2 to 1	3 to 1	4 to 1
RM4 (historic districts)	3 to 1	4.5 to 1	6 to 1
RM4 (outside historic districts)	4 to 1	6 to 1	7 to 1

This proposed change would apply base and bonus FARs in RM4 zoning located in historic districts that are less than would apply in the RM4 zone outside historic districts. While less than current allowances, the historic district base FAR of 3:1 would be equal to the base FAR of the large-scale mixed use CM3 zone, which applies along major corridors outside the Central City.

Base and bonus FARs of 3:1 and 4.5 to 1 would accommodate the range of larger historic multi-dwelling buildings in the Alphabet and King's Hill historic districts, such as these examples.





3 to 1 → 4.5 to 1

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concentrated between Burnside and NW Hoyt and in RH-zoned area on both sides of NW 21st, which does not correspond to the current zoning pattern in the area (see separate **Map 2 – Existing Building Floor Area Ratios**). The King’s Hill Historic District has similar issues, where small lots with contributing historic structures at the southern edges of the district are proposed for the larger-scale RM4 zone (corresponding to the RH 4:1 FAR zoning that currently applies), while properties in the RH zone immediately outside the historic district (with much larger existing buildings) are proposed for the smaller RM3 zone.

Project staff used this analysis to inform proposals for possible changes intended to provide a closer correspondence between the base and bonus FARs and the scale of larger historic buildings, while also serving to calibrate bonus FARs (including those for inclusionary housing) to be more realistically achievable. All the areas analyzed by staff currently have RH zoning. The Better Housing by Design project provides a unique opportunity to consider the most appropriate replacement zone, RM3 or RM4, for areas with RH zoning in historic districts.

Staff’s work on this topic was also informed by discussions with community members. Staff mailed out courtesy notices to over 1,100 property owners in the two historic districts, held two public open houses (in conjunction with the Historic Resources Code Project), and met with the land use committees of the Northwest District Association and Goosehollow Foothills League, the Northwest Business Association, as well as other stakeholders.

Related Revised Proposed Draft Amendment

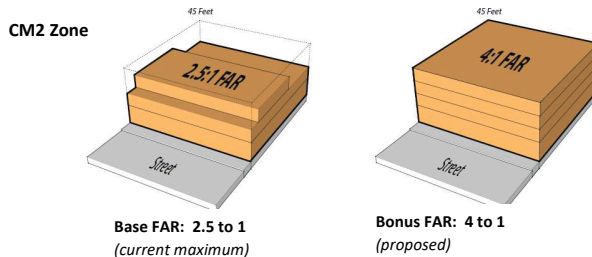
During the November 13th work session, the PSC provided direction to allow all FAR bonus and transfer allowances to be used in properties in historic and conservation districts in both the multi-dwelling and commercial/mixed use zones (see pages 8-9 and 20-21 in Revised Proposed Draft Volume 3).

The predominant commercial/mixed use zone in historic districts is the CM2 zone (former CS zone). Since May 2018, development in this zone has been limited to an FAR of 2.5 to 1, with no opportunities for development bonuses (although new buildings with 20 or more units are now subject to mandatory inclusionary housing and must include affordable housing units, they receive no inclusionary housing bonus in historic or conservation districts). The Revised Proposed Draft code amendments would allow FAR bonus and transfers to be used in the commercial/mixed use zones in historic and conservation districts. In the CM2 zone, the primary zoning along the NW 21st and NW 23rd main streets in the Alphabet Historic District, this code amendment will provide a bonus FAR of up to 4:1 within a maximum building height of 45 feet, allowing for four-story buildings similar in scale to some historic building along these streets.

These proposed allowances for FAR bonuses and transfers will allow additional housing options, including affordable units, along the Alphabet Historic Districts main streets. Staff analysis, looking only at underutilized sites that are at least 10,000 square feet in area in the historic district’s mixed use zones, indicates that providing this bonus FAR would provide capacity for more than 100 additional units.



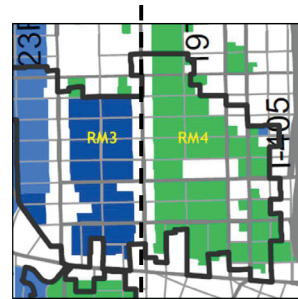
Historic four-story building along NW 21st Avenue in the CM2 zone



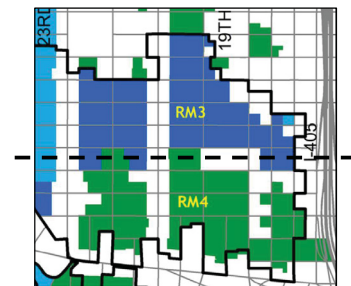
POTENTIAL AMENDMENTS

2B. In the Alphabet Historic District, apply the larger-scale RM4 zone to current RH areas south of NW Glisan/Hoyt, and apply the smaller-scale RM3 zone in areas north of this. This would be a change from the current zoning pattern, where there is an east-west division between the larger- and smaller-scale RH zones. This mapping change would be more responsive to scale of historic building in the district, where larger buildings are concentrated between Burnside and Glisan/Hoyt (see separate **Map 1**). There are two components to this change:

- (1) **Apply RM4 zoning to the area between NW 21st and NW 23rd, from Burnside to Glisan/Hoyt**, instead of the proposed RM3 zoning. This would increase the base FAR in this area from the current 2:1 FAR to a base FAR of 3:1 and a bonus FAR of 4.5 to 1, which would allow for a range of development similar to the scale of larger historic buildings in this area.
- (2) **Apply RM3 zoning to the area east of NW 21st north of Glisan/Hoyt**, instead of the proposed RM4 zoning. This would decrease the base FAR in this area to 2:1 (bonus FAR of 3:1).



Original Proposal
(based on existing zoning)



Recommended Changes

For more information on the scale and FAR of existing buildings in the Alphabet and King’s Hill historic districts, see:

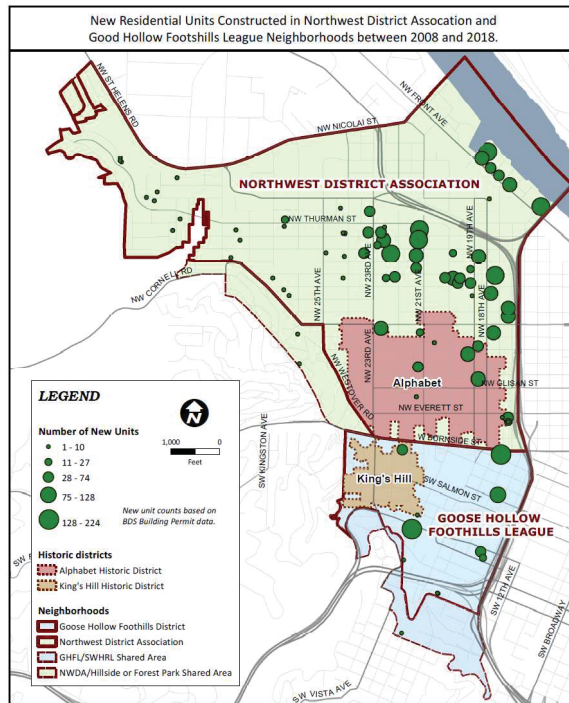
- **Map 2 – Existing Building Floor Area Ratios**
- **Select Site Summaries**, providing information on the scale of selected historic district buildings, focusing on larger historic buildings to inform maximum scale allowances:
www.portlandoregon.gov/bps/78584

ITEM	PROPOSED DRAFT PROPOSAL AND BACKGROUND INFORMATION	POTENTIAL AMENDMENTS
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Development Capacity

Staff analyzed the impacts the draft zone changes would have on housing capacity. Summary findings include:

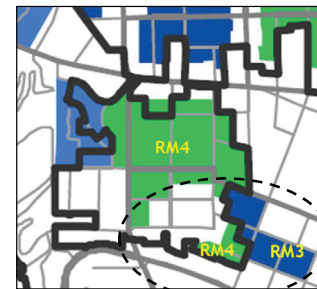
- Looking only at the impact of changes in base FARs (with no assumptions for the use of bonus FAR) on housing capacity on vacant sites and non-historic underutilized sites, the changes would result in a reduced capacity of about 200 units.
- A separate analysis, using an assumption that development on vacant sites of at least 10,000 square feet (mostly now parking lots) in the RM4 and mixed use zones would typically include buildings with at least 20 units and would receive bonus FAR for inclusionary housing, indicated the proposed expanded allowances for bonus FAR would provide additional capacity for around 300 units (more than balancing out the lost of capacity due to changes in base FARs). Note that the BHD proposals would apply new allowances for bonuses in the mixed use zones, and in the multi-dwelling zones would expand the inclusionary housing bonus from a 25 percent increase to a 50 percent increase above base FARs.
- The Buildable Land Inventory (BLI) estimates that the broader neighborhoods where the Alphabet and King’s Hill historic districts are located (the Northwest District and Goosehollow Foothills, respectively) have zoned capacity for over 12,000 additional housing units. The majority of this housing capacity is in areas outside the historic districts (which are largely built out).
- Looking at building permit data from the past 10 years (2008-2018), the Northwest District and Goosehollow Foothills neighborhoods have together been the location of over 4,000 new housing units. A little over 300 of these units (8 percent) were built in the historic districts. These neighborhoods, among the highest density areas in Portland, have therefore continued to provide new housing options, but primarily outside the historic districts.



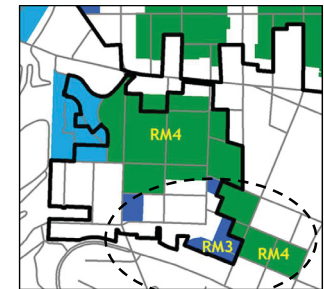
POTENTIAL AMENDMENTS

2C. In the King’s Hill Historic District, apply the smaller scale RM3 zoning to properties with small historic structures at the edges of the historic district, and apply the larger-scale RM4 zone to currently RH zoned areas outside the historic district to the east. This would be a change from the current zoning pattern, where all of the current RH zoning in the historic district have a base FAR of 4:1 and were proposed for RM4 zoning. There are two components to this change:

- (1) **Apply the smaller scale RM3 zoning to properties with small historic structures at the southern edges of the historic district**, instead of the proposed RM4 zoning. This area has mostly smaller lots with small historic buildings (2-3 stories) and is adjacent to single-dwelling R5 zoning. This would decrease the base FAR in this area to 2:1 (bonus FAR of 3:1) and remove the current transit station area allowance for 100-foot building height. The largest recently-built building in this area has an FAR of 1.7:1.
- (2) **Apply the larger-scale RM4 zoning to a three-block area outside the historic district to the east**, instead of the proposed RM3 zoning. This area is in the Central City Plan District, which provides a base FAR of 4:1. RM4 zoning would more closely correspond to this and other development standards that apply in this area. The primary change is that the block west of SW 20th between Salmon and Main streets would become eligible for the transit station area allowance for 100-foot building height (this block includes large existing buildings over 80-foot tall which exceed the current height limit of 65 feet). The other two blocks in this area are already provided with a Central City Plan District height allowance of 100 feet.



*Original Proposal
(based on existing zoning)*



Recommended Changes

For a more detailed map, see Map 3 – Potential Historic District Zoning Changes

ITEM	PROPOSED DRAFT PROPOSAL AND BACKGROUND INFORMATION	POTENTIAL AMENDMENTS
3	<p>Additional FAR transfer allowance for seismic upgrades to historic structures.</p> <p>The need for seismic upgrades to Portland’s many unreinforced masonry buildings (URMs) has become a critical issue. This is an especially important issue for Portland’s historic resources, as nearly 600 historic buildings (typically brick or concrete), such as the Alphabet Historic District’s large numbers of brick apartment buildings, are URMs and seismic upgrades are costly.</p> <p>As part of the Central City 2035 zoning code updates, an FAR transfer allowance was adopted for the Central City to provided allowances for additional FAR to be transferred from sites with historic buildings, beyond the amount of unutilized FAR, in conjunction with seismic upgrades to these historic structures. This additional increment of transferable FAR is intended to provide an incentive for seismic upgrades to historic buildings by helping to defray the costs of these upgrades. This provision does not apply outside the Central City, so cannot currently be used to promote the preservation of historic buildings in areas such as the Alphabet Historic District.</p>	<p>Staff Proposal:</p> <p>Allow an additional amount of FAR to be transferred from sites with historic resources, in conjunction with seismic upgrades to these historic structures. This transferable FAR linked to seismic upgrades would be in addition to existing allowances for unutilized FAR to be transferred from historic properties to other locations. In the multi-dwelling zones, the proposal would allow an additional amount of FAR, equivalent to 50 percent of the base FAR, to be transferred to other sites, but use of this additional increment of transferable FAR would only be available in conjunction with seismic upgrades.</p> <p>For example, a historic building in the RM3 zone even if fully built to the 2:1 base FAR allowed in this zone, could transfer an amount of floor area equal to half of this base FAR (1:1 FAR, or 10,000 square feet for a site 10,000 square feet in area). This would allow FAR transfers to serve as an incentive for historic preservation, even in situations in which the scale of historic buildings are equal to or exceed the base FARs of the multi-dwelling zones.</p> 