

IMPACT STATEMENT

Legislation title: Amend the Comprehensive Plan, Comprehensive Plan Map, Zoning Map, Title 33-Planning and Zoning, Title 18-Noise Control, Title 30-Affordable Housing, Title 32-Signs and Related Regulations to revise the Multi-Dwelling Residential designations and base zones. (Ordinance; amend Code Title 33, and Code Title 18 and 32)

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Purpose of proposed legislation and background information:

The Better Housing by Design (BHD) Recommended Draft is revising Zoning Code development standards in Portland's multi-dwelling zones (Chapter 33.120) and associated regulations in other Zoning Code chapters, Title 30, and Titles 18 and 32 (amendments to the latter two titles are updates to multi-dwelling zone names). The amendments also make related changes to the Zoning Map and the Comprehensive Plan and Map. The amendments are intended to better implement Comprehensive Plan policies that call for:

- Housing opportunities in and around centers and corridors;
- Housing diversity, including affordable and accessible housing;
- Design that supports residents' health and active living;
- Pedestrian-oriented street environments and convenient street and pedestrian connections;
- Design that respects neighborhood context and the distinct characteristics of different parts of Portland;
- Nature and green infrastructure that are integrated into the urban environment; and
- Low-impact development that helps limit urban heat island effects.

The amendments include Zoning Code regulations that will be administered by the Bureau of Development Services and development bonuses for affordable housing that will be administered by the Housing Bureau. The Better Housing by Design project was funded in part by a Community Planning and Development Grant from Metro in the amount of \$310,500 accepted by the City of Portland in March 2016 (Ordinance 187642).

Financial and budgetary impacts:

Direct budget impacts: This ordinance does not amend the budget or create new ongoing programs. It does not change the City's financial obligations and appropriations, but it will have some impact on staff time costs. The Bureau of Development Services (BDS) and the Housing Bureau will be impacted by increased staff time costs associated with implementing the amended Zoning Code regulations. BDS indicates there will be an increase in review time, but that this is not substantial enough to require fee increases at this point. The Housing Bureau will need additional funding to compensate for the bureau's role in administering the new affordable housing bonus provisions. The Housing Bureau estimates the fiscal impact of administering the new affordable housing bonuses, in combination with costs for administering previously-adopted inclusionary housing bonuses,

at \$254,414 in ongoing staff costs and \$14,000 in onetime costs for workspace and equipment.

Long term impacts for the City: The Zoning Code amendments provide allowances for increased numbers of residential units on properties in the multi-dwelling zones (particularly in the new RM1 and RM2 zones, which represent the majority of Portland multi-dwelling zoned land) and expand development bonuses for projects that include affordable units. An economic feasibility analysis (see Appendix C of the Recommended Draft) indicated that these changes increase the economic feasibility of multi-dwelling development in Portland's predominant multi-dwelling zones (new RM1 and RM2), which suggests that the code amendments could increase the amount of development in the multi-dwelling zones over the long term.

Impacts on the Bureau of Development Services

Because this ordinance changes aspects of the Zoning Code, it impacts BDS in terms of staff time spent working with permit applicants, reviewing submittals and inspecting development. The changes will impact the Bureau of Development Services in the following ways:

A. Increase in one-time costs:

- Staff training - Learning about the new regulations will initially take staff time. Training is developed and provided prior to implementation. Also, follow up discussions at team meetings to ensure consistency and answer questions about how to apply the new regulations to specific situations will need to take place.
- Staff time will be needed to develop new brochures and/or website content to explain the new standards and application submittal requirements.

B. Increase in on-going costs:

The Zoning Code amendments will have differing impacts on the time needed for BDS review of permit applications in the multi-dwelling zones. New types of regulations will require new development standards to be implemented and sometimes require more staff time for plan reviews. Other changes that modify existing regulations will have less of an impact on plan reviews, while changes that discontinue existing regulations will simplify plan reviews and reduce staff time.

An estimate of review times associated with the Zoning Code amendments projects a net increase of 20 hours of total review time per year. BDS indicates that this increase in review time is not substantial enough to require fee increases at this point. BDS will track the accuracy of workload projections associated with the code changes and make amendments to the fees at a later date if necessary.

The following list groups the major amendments in relation to their potential impact on BDS staff review times:

Reduced Regulations – reducing review times

- Replace the current gradient of setbacks based on size of building wall plane with a standardized 5' side/rear setback.
- Exempt small sites (up to 10,000 SF) from minimum parking requirements.
- Simplify the maximum building setback standards with reduced number of standards.
- Eliminate the current array of nine amenity bonuses.

Modifications to Existing Regulations – some additional review time

- Changes to affordable housing bonuses.
- Require residential outdoor areas in the RM3 and RM4 zones.
- Require common areas for sites larger than 20,000 square feet.
- Additional limits on front parking/vehicle areas.

New Regulations –increasing review times

- In the new RM1 and RM2 zones, regulate by maximum FAR instead of maximum unit density.
- Visitable units bonus.
- Limitations on size of surface parking lots and asphalt paving.
- Eastern Portland standards for deep rear setbacks and minimum street frontage.

For context, BDS handles more than 10,000 permits annually (new residential or commercial buildings, and remodels, excluding mechanical, electrical and plumbing permits). The average number of new construction permits issued by year in the multi-dwelling zones affected by the BHD amendments is 237 permits, broken down by zone as follows (figures do not include the larger number of permits for additions and alterations):

Average number of multi-dwelling zone new construction permits issued by year
(based on permits issued 2006-2016):

R3 & R2 zones: 156 permits (92% were residential code projects [SFR, duplexes, townhouses])

R1 zone: 69 permits (82% were residential code projects)

RH zone: 12 permits (54% were residential code projects)

Total R3-RH zones: 237 permits

Note: residential code permits are each for one or two units (a project with eight attached houses has eight separate permits), while commercial code permits can be for buildings with three to 100 or more units. It is likely that the BHD amendments will bring an increase in commercial code permits, due to allowances for greater numbers of units on multi-dwelling zone sites.

Impacts on the Portland Housing Bureau

This ordinance impacts the Housing Bureau because it will involve Housing Bureau staff in administering and monitoring four provisions that involve requirements for affordable housing. Housing Bureau (PHB) staff will also be responsible for the writing administrative rules needed for implementation. The provisions and their associated impacts on PHB staffing include:

1. **Inclusionary housing bonus.** Increases the inclusionary housing bonus to provide a 50 percent increase to base FAR (instead of current 25 percent bonus).

Impact: this change will not have a substantial impact on the Housing Bureau staffing as it does not involve any change to administration of the existing inclusionary housing (IH) bonus. It only changes the Zoning Code bonus percentage.

2. **Deeper housing affordability bonus.** This is a new bonus that provides a greater amount of FAR bonus (100 percent) for projects in which at least half of units on the site are affordable to households earning no more than 60 percent of area median family income (AMI).

Impact: This bonus is based on the existing inclusionary bonus, but requires a greater percentage of units to meet the 60 percent AMI affordability level and requires the affordable units to be located on site. This bonus will have minimal impact on Housing Bureau staffing, as it will apply to projects that would otherwise be subject to the existing IH bonus and, since it will share many administrative rules with the existing IH bonus, will require a moderate amount of staff time for creating the administrative rules specific to this bonus.

3. **Moderate-income family housing bonus for three-bedroom units.** This bonus provides 25 percent additional FAR for projects in which at least half of units have three bedrooms and are affordable to households earning no more than 100 percent of AMI.

Impact: This new bonus will require additional Housing Bureau staff time for creating the administrative rules for the bonus and in administering and monitoring use of the bonus. Separate administrative rules will be required for ownership and rental units. For administering the bonus, staff time will be needed to review and certify compliance with the administrative rules, as well as monitoring conformance over time. The specific amount of staff hours is uncertain, since it is not known how many projects will use this bonus (12 projects over the past 10 years have used an existing three-bedroom units bonus that does not have an affordability requirement).

4. **FAR transfer for affordable housing preservation.** This new provision allows for unutilized FAR to be transferred to other properties from sites where existing housing is being preserved at an affordability level of at least 60 percent of AMI.

Impact: This new FAR transfer allowance will require Housing Bureau staff time for creating administrative rules and in administering and monitoring to verify the continued affordability of units on the giving site. New administrative rules will be required to be

drafted by staff for this provision. For administering the bonus, staff time will be needed to review and certify compliance with the administrative rules, as well as monitoring conformance over time. The specific amount of staff hours is uncertain, since it is not known how many projects will use this provision.

Administering these programs will increase the workload for the PHB Development Incentives permitting staff, the PHB Risk Analysis and Compliance staff, City Attorney document drafting and review, and internal administrative costs. While the increased workload is difficult to assess, as it is unclear what the utilization of the bonuses will be in the future, the total bonuses effectively yield eight programs to administer (one homeownership program and one rental program for each non-IH bonus). In combination with costs associated with administering previously-adopted inclusionary housing provisions, PHB estimates the fiscal impact at \$254,414 in ongoing costs for 2.0 FTE program specialists (1.0 FTE for program and 1.0 FTE for compliance) and \$14,000 in onetime costs for workspace, computers, equipment, etc.

Community impacts and community involvement:

The BHD amendments affect development in the multi-dwelling zones citywide (primarily outside the Central City) and therefore impact a broad range of community members in different parts of the city. The community involvement program conducted in support of BHD amendments engaged a broad range of stakeholders, including people who live in multi-family housing and those involved in the development of housing. A series of Stakeholder Working Group (SWG) meetings were held that involved participants with a broad range of perspectives and experience, including community group representatives, development professionals, tenant advocates, neighborhood residents, affordable housing providers and age-friendly advocates. The amendments were also informed early in the process by roundtable discussions with development professionals, including affordable housing providers, designers, and developers. Project staff worked closely with the Jade District/APANO and the Rosewood Initiative to seek involvement by a diversity of East Portland residents, as the project included a focus on improving development outcomes in East Portland.

Among the many issues raised by community members during the initial concept development phase of the BHD project and that shaped the BHD amendments were:

- Participants in SWG meetings emphasized the need to address Portland's housing challenges by prioritizing affordable housing and expanding housing opportunities. Other important priorities were having development contribute to pedestrian-friendly streets and usable outdoor space for residents. Points of contention in these meetings and other community meetings included differing perspectives on off-street parking and compatibility with neighborhood characteristics.
- East Portland community members emphasized the importance of including areas for play and gathering as part of multi-dwelling development, especially given the many families living in apartments in the area and the lack of parks. They also emphasized the need for designing pedestrian connections for safety.

- Development professionals emphasized the need for predictable regulations and allowing development flexibility. Some indicated that development and density standards in the multi-dwelling zones complicated development; that it was easier to do multi-dwelling development in commercial zones than in the multi-dwelling zones. Many also indicated that it was important to reduce the cost of creating new streets because providing street connections affected the feasibility of projects and housing affordability.

The BHD amendments address a number of issues that had been identified as particular burdens for low-income populations and communities of color, including housing affordability, the lack of outdoor space in multi-family housing, and inadequate pedestrian connections in East Portland. Larger proportions of people of color and low-income households live in multi-family housing than the city as a whole, with half of African-American and Hispanic families with children living in multi-family housing. The amendments address these issues through new or expanded development bonuses for projects that include affordable housing, and expanded requirements for outdoor spaces, including requirements for common areas on large sites to provide opportunities for play areas, gathering, and growing food.

The *Discussion Draft*, published on January 22, 2018, served as the first opportunity for the public to review and comment on draft zoning code regulations, which were developed by staff based on ideas for code improvements in the project's *Concept Report*. The public review period for the *Discussion Draft* was from January 22 through March 19, 2018. During this period, staff used a variety of approaches for community members to learn about the *Discussion Draft* proposals and provide comments, including public open house events, an SWG meeting, and East Portland workshop, and presentations and discussion in 20 meetings with community groups. More than 350 attendees participated in public events and meetings where the *Discussion Draft* proposals were presented and discussed.

Comments received during the *Discussion Draft* public review period informed the *Proposed Draft*, which served as staff's proposal to the Planning and Sustainability Commission (PSC). The *Proposed Draft* was posted on the project website on May 11, 2018—32 days before the PSC's public hearing on June 12, 2018. The PSC received 270 pieces of testimony on the *Proposed Draft* from individuals, organizations, and neighborhood associations through the Map App, mail, email, and verbally. Over 30 people testified in person during public hearing held on June 12, 2018. After the Planning and Sustainability Commission considered public testimony, they held a series of seven work sessions from September 2018 through April 2019 to consider changes to the *Proposed Draft*. The PSC concluded its deliberations on April 30, 2019, and voted unanimously on its recommendations to City Council. The PSC's *Recommended Draft* continues most of the major proposals of the *Proposed Draft*, but includes amendments based on public testimony and PSC deliberations.

People and organizations who have been interested in the project throughout are likely to testify at the City Council hearing. These include housing advocates, neighborhood association representatives, aging and disabilities advocates, historic preservationists, homeowners, apartment residents, tenants' rights representatives, developers, designers, and affordable housing providers. Organizations who have testified previously and will likely provide testimony to City Council include Portland for Everyone, the Architectural Heritage

Center, Oregon Locus, Disability Rights Oregon, and a number of neighborhood associations. Testimony will likely be similar to that heard by the PSC and will call on Council to decide how to balance competing goals and policies around housing density, affordability, building scale and neighborhood compatibility, parking requirements, affordability, and impacts on development costs.

100% Renewable Goal:

This ordinance does not directly affect the City's 100% Renewable Goal, but BHD amendments that encourage higher-density compact development and allow more housing in locations close to services and transit will contribute to development that is more energy efficient and will allow more people to live in locations that facilitate transit use, walking, and bicycling, helping to reduce the use of fossil fuels associate with private automobiles.

Budgetary Impact Worksheet

Does this action change appropriations?

- YES: Please complete the information below.
- NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount



Bureau of Planning and Sustainability
Innovation. Collaboration. Practical Solutions.

November 20, 2019

MEMORANDUM

TO: Mayor Wheeler and City Council members
FROM: Bill Cunningham, Better Housing by Design Project Manager
COPY: Andrea Durbin, Director; Joe Zehnder, Chief Planner
SUBJECT: Better Housing by Design Amendments for Consideration on November 21, 2019

On November 21 at 3:45 p.m. time certain, Council will discuss and vote on amendments to the Better Housing by Design Recommended Draft. The session is expected to include the following major parts:

I. Major code amendments

II. Map amendments

III. Minor or technical amendments

This amendments package replaces the previous version dated November 5, 2019. The primary changes in this updated version include a new Code Amendment 7 and a few new or revised amendments listed as addendum items (see summary table on next page). The following pages of this memorandum serve as a guide to the draft amendments requested by City Commissioners. Following a listing of the draft amendments is an explanation of each amendment and the detailed replacement code and commentary that will be voted on.

Staff will return to City Council on December 5 with the amended Recommended Draft and ordinance, incorporating outcomes from the amendment votes, along with substitute findings reflecting these changes.

Note regarding replacement code and commentary: amended text is shaded to provide clarity regarding the changes, but this shading will not be included in the final version of the code amendments.

Better Housing by Design – Amendments Guide

November 21, 2019, 3:45 pm time certain

Part I. Major Code Amendments

#	Amendment	Description	Page	Vote
1a	Deeper Housing Affordability Bonus – Zoning Code	Amend the Deeper Housing Affordability Bonus to add an option for projects to use this bonus when meeting affordability levels in Title 30, as an alternative to the 60 percent of area median income affordable level of the bonus.	4	
1b	Deeper Housing Affordability Bonus – Title 30	Amend Title 30 (Affordable Housing) to implement the Deeper Housing Affordability Bonus and provide an option for ownership units affordable at 80 percent of area median income.	5	
1c	Amend ordinance to incorporate Title 30 amendments	Amends the Better Housing by Design ordinance to incorporate the Title 30 amendments.	8	
2	Affordable Housing Parking Exemption	Amend the Chapter 33.266 affordable housing exemption from minimum parking requirements to apply regardless of location.	9	
3	Bonuses and FAR transfers – demolition of historic resources	Disallow development bonuses and FAR transfers from being used on sites where a historic building has been demolished.	11	
4	Bonuses and FAR transfers – transit access	Disallow development bonuses and FAR transfers from being used in locations more than a 1,500-foot walking distance from frequent-service transit.	16	
5	100-foot height in historic districts	In historic districts, remove an allowance for 100-foot building height within 1,000 feet of light rail stations in the RM4 zone.	22	
6	Indoor common area requirement	Require that large sites (more than 20,000 square feet) include indoor common areas, such as community rooms, in addition to the proposed requirements for outdoor common areas.	24	
7	FAR transfers	Allow FAR to be transferred between sites in multi-dwelling and mixed-use zones.		

Part I. Major Code Amendments – Addendum *(replaces Amendment 6 above)*

#	Amendment	Description	Page	Vote
6a	Indoor common area requirement	Require that large sites (more than 20,000 square feet) include an indoor common area of at least 300 sq. ft. when development includes large buildings with 20+ units, and exempt indoor common area from FAR calculations.	29	
6b	Indoor common area limitation	Limits the amount of required common area that can be indoor common area to a maximum of 25 percent.	34	
6c	Indoor common area FAR exemption	Exempt indoor common areas from maximum FAR (building floor area) calculations.	36	

Part II. Map Amendments

#	Amendment	Description	Page	Vote
M1	Anna Mann House rezoning	Change the zoning of the Anna Mann House (1021 NE 33rd) from single-dwelling R5 to multi-dwelling RM1.	38	
M2	5631 SE Belmont zoning line shift	For a property at 5631 SE Belmont, rezone the rear of the lot from R5 to RM1 so that the entire house is in the same zone.	39	
M3	King's Hill Historic District zoning map changes	In the King's Hill Historic District, downzone from RM4 to RM3 four partial blocks where half or more of the buildings are small-scale historic structures.	40	

Part III. Minor or Technical Amendments

#	Amendment	Description	Page	Vote
A	Minimum lot dimensions for duplexes, triplexes, and fourplexes	Amend regulations for minimum lot dimensions in the multi-dwelling zones (Chapter 33.612) to: <ol style="list-style-type: none"> Add triplexes and fourplexes to the same minimum lot dimensions that now apply to duplexes. Shift duplexes to the same lot dimension standards that apply to detached houses. 	41	
B	Affordable housing parking exceptions	Amend the affordable housing exceptions from minimum parking requirements (Chapter 33.266) to apply to projects using the Deeper Housing Affordability Bonus.	44	
C	Tree preservation FAR transfer clarification	Amend tree preservation FAR transfer provision so that the amount of transfer cannot exceed the amount of unutilized FAR on the sending site.	46	
D	Tree health terms	For regulations related to tree health, delete reference to "diseased" and replace with "dying".	47	
E	Paragraph numbering correction	Correct paragraph numbering in section 33.120.220.	47	
F	Corrections to zone name and section references	Update code section reference and change "R2" to "RM1" in 33.258.060.	48	

Part III. Minor or Technical Amendments - Addendum

#	Amendment	Description	Page	Vote
G	Bicycle parking FAR exemption	Amend the FAR exemption for required long-term bicycle facilities to be consistent with code language proposed by the Bicycle Parking Code Update.	49	

Part I. Major Code Amendments

1a. Deeper Housing Affordability Bonus – Zoning Code

Code section: 33.120.211

Sponsored by: Mayor Wheeler

Explanation: This amendment to the Deeper Housing Affordability Bonus adds the option of allowing projects to use this bonus when meeting affordability levels stated in Title 30 (amendment to Title 30 will provide an option for ownership housing affordable to households earning no more than 80 percent of area median income, see Amendment 1b, below). The intent of this amendment is to provide flexibility for this bonus to be used to help address the need for affordable ownership housing, for which the 60% of area median income affordability level is not always practical (households typically need to earn more than this to qualify for ownership housing programs).

Notes: Projects not using the Title 30 option would need to meet this bonus's usual qualifying requirement that at least half of units must be affordable to those earning no more than 60 percent of area median family income.

Replacement Code:

33.120.211 Floor Area Bonus Options

A.-B. [No change to Recommended Draft]

C. Bonus options.

1. [No change to Recommended Draft]
2. Deeper housing affordability bonus option. Bonus FAR is allowed up to the maximum with deeper housing affordability bonus as stated in Table 120-5 when at least 50 percent of all the dwelling units on the site are affordable to those earning no more than 60 percent of area median family income or an affordability level established by Title 30. Projects taking advantage of this bonus are also allowed an additional 10 feet of base height and an additional 10 percent of building coverage beyond the limits for the zone stated in Table 120-3. To qualify for this bonus the applicant must provide a letter from the Portland Housing Bureau certifying that the development meets the affordability requirement of this bonus and any administrative requirements of the Portland Housing Bureau. The letter must be submitted before a building permit can be issued for the development but is not required in order to apply for a land use review.

3.-4. [No change to Recommended Draft]

Replacement Commentary:

(Only the Deeper Housing Affordability Bonus Option commentary section on page 64 of Recommended Draft Volume 2 will be replaced)

2. Deeper housing affordability bonus option. To qualify for this new voluntary bonus, projects will generally need to have at least 50 percent of units on the site affordable to households earning no more than 60 percent of MFI, a significantly greater amount and level of affordability than required by inclusionary housing. In combination with related amendments to Title 30 (Affordable Housing), this bonus provides an affordable home ownership option for projects in which at least half of the units are ownership units affordable to households earning no more than 80% of MFI. This provision provides a development bonus allowing 100 percent additional FAR and also allows additional height and building coverage for qualifying projects to accommodate this greater FAR (code modeling of the proposed development standards indicate that base regulations for parameters such as building height, coverage and setbacks provide enough capacity for a 50 percent FAR increase, but cannot accommodate a 100 percent increase).

Staff anticipate that this bonus will primarily be used by affordable housing developers, rather than the larger number of profit-dependent development projects. The minimum required percentage of 50 percent will allow developments to include some market-rate units to help offset the costs of the affordable units and allow for income diversity. Both this bonus and the standard inclusionary housing bonus will involve the Housing Bureau in administration (administrative rules will require rental units to remain affordable for a term of 99 years and ownership units to be affordable for 10 years). Unlike the inclusionary housing provisions, this bonus will not provide options for locating the affordable units off site or for payment into the Affordable Housing Fund.

1b. Deeper Housing Affordability Bonus – Title 30

Code section: 33.293.020.A:

Sponsored by: Mayor Wheeler

Explanation: This amends Title 30 (Affordable Housing) to provide standards and administrative approaches to implement the Deeper Housing Affordability Bonus. It includes rules specific to rental units (must be affordable at 60 percent of area median income for a 99 -year period) and to ownership units (would need to be affordable at 80 percent of area median income for at least a 10-year period). These amendments to Title 30 are intended in part to provide options for the bonus to be used to promote affordable home ownership opportunities.

Notes: The shorter term of affordability for ownership housing allows for households to gain equity through ownership over time, especially since an objective of some ownership housing programs is to provide the benefits of ownership to communities that had not always had access to such opportunities in the past due to discriminatory practices.

New Code:**30.01.140 Multi-Dwelling Zones Deeper Housing Affordability FAR Density Program**

- A. Purpose Statement.** The City intends to implement the Multi-Dwelling Zones Deeper Housing Affordability FAR Density Bonus Program (the "DHA Program") to increase the numbers of Dwelling Units available for sale or for rent to households earning incomes that fall within particular City established parameters.
- B. Administration.**
1. PHB will certify whether the applicant's proposed development meets the standards and requirements set forth in PCC 33.120.211.C.2 and this Section.
 2. PHB may adopt, amend, and repeal Administrative Rules and prepare forms for the implementation, administration and compliance monitoring consistent with the provisions of this Chapter 30.01.140. The Director of PHB, or a designee, shall have the authority to modify the Administrative Rules as necessary to meet current City housing program requirements. PHB Administrative Rules will set forth clear and objective criteria to establish minimum development standards for affordable units subject to the DHA Program.
- C. Standards.** Developments approved for the DHA Program must satisfy the following criteria:
1. Dwelling units for sale shall remain affordable for a period of at least 10 years and be available to households earning 80 percent or less of area median income, and dwelling units for rent shall remain affordable for a period of 99 years and be available to households earning 60 percent or less of area median income;
 2. Owners are required to sign a Regulatory Agreement that will encumber the property receiving a density bonus under the DHA Program, and will be recorded in the official records of Multnomah County, Oregon;
 3. For rental Dwelling Units, the owner or a representative shall submit annual documentation of tenant income and rents to PHB;
 4. The City may inspect the affordable rental Dwelling Units for fire, life, and safety hazards and for compliance with DHA Program requirements and may inspect files documenting tenant income and rents of the affordable rental Dwelling Units; and
 5. Failure to meet the requirements of the DHA Program will result in a penalty, and may result in legal action.
- D. Penalties.**
1. In the event of a failure to meet the requirements of the DHA Program and the additional requirements established in the Regulatory Agreement, PHB may choose, to negotiate with the building owner to bring the building into project compliance.

2. Should PHB and the owner not agree upon an acceptable remedy to bring the project into compliance, the owner will owe financial penalties payable to PHB as follows:

- a. **For Rent Dwelling Unit Penalty.** For a building with rental Dwelling Units, a penalty equal to multiplying the gross square feet of the residential and residential related portions of the Building by \$23; and

Interest. Interest on the entire unpaid penalty amount, assessed at the rate of .833% simple interest per month or fraction thereof (10% per annum), computed from the date of default; and

Financial Incentive. Repayment of any financial incentives and exemptions received according to code and administrative rules including, but not limited to, system development charges, property taxes, and construction excise taxes; and

Additional Penalties. PHB may pursue any remedy available at law, or in equity, including but not limited to injunctive relief, and other remedies such as foreclosure, or receivership if the financial penalties established in this Section 2 are not timely paid in accordance with the timeframe prescribed by PHB or a court of competent jurisdiction.

Upon Owner's payment in full of the applicable Dwelling Unit Penalty, Interest, Financial Incentive repayment amounts due and payment of any Additional Penalties, the impacted for Sale Dwelling Unit will cease to be bound to the restrictions of the DHA Program and PHB will release the Covenant.

- b. **For Sale Dwelling Unit Penalty.** For for Sale Dwelling Units, repayment of the difference between the Restricted Sale Price and the assessed value as stated in the DHA Program Covenant; and

Interest. Interest on the entire unpaid Penalty amount, assessed at the rate of .833% simple interest per month or fraction thereof (10% per annum), computed from the date of default; and

Financial Incentive. Repayment of any financial incentives and exemptions received according to code and administrative rules including, but not limited to, system development charges, property taxes, and construction excise taxes; and

Additional Penalties. PHB may pursue any remedy at law, or in equity, including but not limited to injunctive relief, and other remedies such as foreclosure, or receivership if the financial penalties established in this Section are not timely paid in accordance with the timeframe prescribed by PHB or a court of competent jurisdiction.

Upon Owner's payment in full of the applicable Dwelling Unit Penalty, Interest, Financial Incentive Repayment amounts due and payment of any Additional Penalties, the impacted for Sale Dwelling Unit will cease to be bound to the restrictions of the DHA Program and PHB will release the Covenant.

1c. Amend Ordinance to Incorporate Title 30 Amendments

Sponsored by: Mayor Wheeler

Explanation: This amends the Better Housing by Design ordinance to incorporate the Title 30 amendments (see Amendment 1b above), which are being included as a new Exhibit E.

Amended Ordinance:

See attached amended Better Housing by Design ordinance and new Exhibit E.

2. Affordable Housing Parking Exemption

Code section: 33.266.110.D

Sponsored by: Mayor Wheeler

Explanation: This will amend the affordable housing parking exception (in Chapter 33.266) so that the exemption from minimum parking requirements for projects providing inclusionary housing units applies regardless of location. The amendment also adds the Deeper Housing Affordability Bonus to the types of affordable housing that can use this exemption. The intent of this amendment is to reduce costs and support the economic feasibility of projects that provide affordable housing units by making parking optional, instead of required.

Notes: Currently, projects utilizing inclusionary housing bonuses are exempt from minimum parking requirements when located within 500 feet of frequent-service transit lines or within 1,500 feet of light rail stations (applies to 73 percent of multi-dwelling zone properties). Outside of these distances, minimum parking requirements apply, although affordable units are subtracted from the minimum parking calculations. 95 percent of multi-dwelling and mixed use zone properties are located within 1,500 feet (just over a quarter mile) of frequent-service transit, meaning that most development in these zones is within walking distance of frequent transit. A feasibility analysis (see Recommended Draft Appendix C – Part 2) indicated that parking requirements impact the economic feasibility of projects with inclusionary housing units (structured parking typically costs around \$40,000 per parking space and takes up building area that could be used for housing units).

Amended Code (*all text below is new to the Recommended Draft*):

33.266.110 Minimum Required Parking Spaces

A.-C [No change]

D. **Exceptions to the minimum number of parking spaces.** The minimum number of required parking spaces may be reduced as follows:

1. Affordable housing exceptions: The minimum number of required parking spaces may be reduced to zero when the applicant demonstrates compliance with the on-site or off-site affordable dwelling unit requirements of Chapter 33.245, Inclusionary Housing, the on-site or off-site affordable dwelling unit requirements of an applicable voluntary inclusionary housing bonus, or the requirements of the deeper housing affordability bonus of Section 33.120.211. This exception does not apply if the applicant pays a fee-in-lieu of complying with the requirements of Chapter 33.245, Inclusionary Housing, or makes a payment into the Affordable Housing Fund in exchange for bonus density or FAR.
 - a. ~~Exception for sites close to transit. The minimum number of required parking may be reduced to zero when the following are met:~~
 - (1) ~~The site is located 1500 feet or less from a transit station, or 500 feet or less from a transit street with 20-minute peak hour service; and~~

- ~~(2) The applicant demonstrates compliance with the on-site or off-site affordable dwelling unit requirements of Chapter 33.245, Inclusionary Housing, or the on-site or off-site affordable dwelling unit requirements of an applicable voluntary inclusionary housing bonus. This exception does not apply if the applicant pays a fee in lieu of complying with the requirements of Chapter 33.245, Inclusionary Housing, or makes a payment into the Affordable Housing Fund in exchange for bonus density or FAR.~~
- ~~b. Exception for sites far from transit. Affordable dwelling units are not counted toward the total number of dwelling units when calculating the number of required parking spaces when the following are met:~~
- ~~(1) The site is located more than 1500 feet from a transit station, or more than 500 feet from a transit street with 20-minute peak hour service; and~~
- ~~(2) The applicant demonstrates compliance with the on-site or off-site affordable dwelling unit requirements of Chapter 33.245, Inclusionary Housing, or the on-site or off-site affordable dwelling unit requirements of an applicable voluntary inclusionary housing bonus. This exception does not apply if the applicant pays a fee in lieu of complying with the requirements of Chapter 33.245, Inclusionary Housing, or makes a payment into the Affordable Housing Fund in exchange for bonus density or FAR.~~
2. Other exceptions. [No change]

New Commentary *(all text below is new to the Recommended Draft):*

33.266.110.D Exceptions to the minimum number of parking spaces.

These amendments change the affordable housing parking exception so that the exemption from minimum parking requirements for projects providing inclusionary housing units applies regardless of location, instead of limiting this exemption to locations within 500 feet of frequent-service transit lines or within 1,500 feet of transit stations. The amendment also adds the Deeper Housing Affordability Bonus to the types of affordable housing that can use this exemption. The intent of this amendment is to reduce costs and support the economic feasibility of projects that provide affordable housing units by making parking optional, instead of required.

95 percent of multi-dwelling and mixed use zone properties are located within 1,500 feet (just over a quarter mile) of frequent-service transit, meaning that most development in these zones is within walking distance of frequent transit. A feasibility analysis (see Recommended Draft Appendix C - Part 2) indicated that parking requirements impact the economic feasibility of projects with inclusionary housing units (structured parking typically costs around \$40,000 per parking space and takes up building area that could be used for housing units).

3. Bonuses and FAR Transfers – Demolition of Historic Structures

Code sections: 33.120.210; 33.120.211; 33.130.205; 33.130.212

Sponsored by: Commissioner Fritz

Explanation: These amendments prohibit development bonuses or FAR transfers from being used on sites where a historic building has been demolished. This is intended to prevent the additional development scale provided by bonuses and FAR transfers from serving as an incentive for the demolition of historic buildings. The amendments will apply in both the Multi-Dwelling (Chapter 33.120) and Commercial (33.130) zones.

Notes: The amendments will not prevent bonuses or FAR transfers from being used for additions to properties with historic resources when the additions do not involve demolition of historic structures, and there are exceptions for buildings lost to fire or other causes beyond the control of the owner. Demolition protections currently vary by type of historic resource. Demolition of contributing structures in historic districts (such as the Alphabet and King’s Hill historic districts) and individually-designated landmarks on the National Register of Historic Places are currently subject to City Council approval (through a Type IV demolition review) and few such demolitions have been approved. However, there are no demolition review requirements for locally-designated historic resources, including contributing structures in conservation districts (such as the Mississippi Avenue conservation district), there is only a demolition delay procedure. These resources would be more vulnerable to redevelopment (however, the Historic Resources Code Project is considering requiring demolition review in conservation districts and for locally-designated historic landmarks). There are four parts to these amendments:

- A. Amendments to FAR transfers in the Multi-Dwelling zones.
- B. Amendments to bonus options in the Multi-Dwelling zones
- C. Amendments to FAR transfers in the Commercial zones.
- D. Amendments to bonus options in the Commercial zones

A. Replacement Code – Multi-Dwelling Zones (Chapter 33.120) FAR Transfers:

33.120.210 Floor Area Ratio

A.-C. [No change to Recommended Draft]

D. Transfer of FAR. FAR may be transferred from one site to another subject to the following:

1. [No change to Recommended Draft]
2. Receiving site. The transfer must be to a site zoned RM1, RM2, RM3, RM4, or RX outside of the Central City plan district. Transferring to a site zoned RMP is prohibited. Transferring to a site where a Historic or Conservation Landmark or a contributing structure in a Historic or Conservation District has been demolished within the past ten years is prohibited unless the landmark or contributing structure was destroyed by fire or other causes beyond the control of the owner, or the only structure on the site that was demolished was an accessory structure.

3.-4. [No change to Recommended Draft]

Replacement Commentary:

(Only the 33.120.210.D commentary section on page 60 of Recommended Draft Volume 2 will be replaced)

33.120.210.D. Transfer of FAR (continued)

All the FAR transfer provisions will allow for FAR to be sent to a receiving site with multi-dwelling zoning citywide (except the Central City, which has separate FAR transfer provisions). This is a change from existing FAR transfer regulations, which are currently limited to a two-mile transfer distance. This is being done to increase the feasibility of FAR transfers by increasing the numbers of potential receiving sites. Staff anticipate that FAR transfers will only be used by relatively small projects, since buildings with 20 or more units qualify for inclusionary housing development bonuses and will not be able to receive additional FAR from transfers. FAR transfers are generally prohibited from being used on receiving sites where a historic resource has been demolished to prevent the additional FAR from serving as an incentive for demolition of historic resources.

B. Replacement Code – Multi-Dwelling Zones (Chapter 33.120) Bonus Options:

33.120.211 Floor Area Bonus Options

A. [No change to Recommended Draft]

B. General floor area bonus regulations.

1. The floor area bonus options in this section are only allowed in the RM1, RM2, RM3, RM4, and RX zones outside the Central City and Gateway plan districts. Sites where a Historic or Conservation Landmark or a contributing structure in a Historic or Conservation District has been demolished within the past ten years are not eligible to use bonus options unless the landmark or contributing structure was destroyed by fire or other causes beyond the control of the owner, or the only structure on the site that was demolished was an accessory structure.

2.-4. [No change to Recommended Draft]

C. [No change to Recommended Draft]

Replacement Commentary:

(Only the 33.120.211 commentary paragraph on page 62 of Recommended Draft Volume 2 will be replaced)

33.120.211 Floor Area Bonus Options

This new section includes development bonuses for affordable housing, moderate-income family housing, and visitable units. The proposed regulations limit the total amount of FAR that can be added to a site, from both transfers and from development bonuses, to an amount equivalent to 50 percent beyond the base FAR (see Table 120-5). An exception is provided for projects using

the special bonus for deeper housing affordability, which could receive a 100 percent increase in FAR. Development bonuses are generally prohibited from being used on sites where a historic resource has been demolished to prevent bonus FAR from serving as an incentive for demolition of historic resources.

C. Replacement Code – Commercial Zones (Chapter 33.130) FAR Transfers:

33.130.205 Floor Area Ratio

A.-B. [No change to Recommended Draft]

C. **Transfer of floor area from historic resources.** Floor area ratios may be transferred from a site that contains a historic resource, as follows:

1. [No change to Recommended Draft]
2. Receiving site. The transfer must be to a site that is zoned CM1, CM2, CM3, CE or CX outside of the Central City plan district. Transferring to a site that is zoned CR is prohibited. The receiving site must be within the same recognized neighborhood as the sending site, or within two miles of the transfer site, and must not be within a Historic or Conservation District. Transferring to a site where a Historic or Conservation Landmark or a contributing structure in a Historic or Conservation District has been demolished within the past ten years is prohibited unless the landmark or contributing structure was destroyed by fire or other causes beyond the control of the owner, or the only structure on the site that was demolished was an accessory structure.

3.-6. [No change to Recommended Draft]

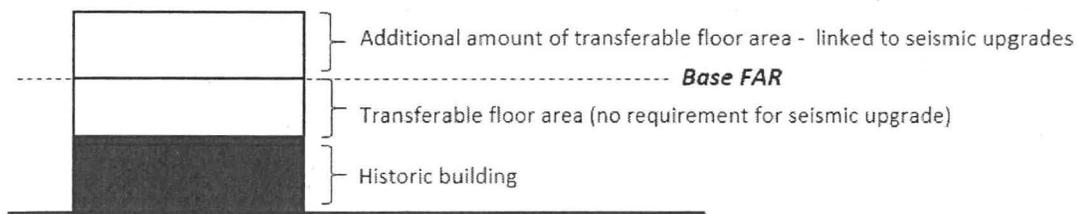
Replacement Commentary:

33.130.205.C Transfer of floor area from historic resources

Amendments to this paragraph include:

Transfer of floor area from historic resources - additional FAR transfer allowance for seismic upgrades. Amendments to the historic resources transfer provision will allow an additional amount of FAR (beyond the amount of unused development capacity), equivalent to 50 percent of the base FAR of each zone, to be transferred to other sites, but use of this additional increment of transferable FAR will only be available in conjunction with seismic upgrades. This amendment is consistent with changes proposed for the multi-dwelling zones (Chapter 33.120) and is intended to provide an incentive for seismic upgrades to historic buildings by helping to defray the costs of these upgrades.

This regulation uses an existing provision that applies in the Central City, but will extend it to multi-dwelling and mixed use zones citywide. The need for seismic upgrades to unreinforced masonry buildings (URMs) is an especially important issue for Portland's historic resources, as nearly 600 historic buildings are URMs - often brick - and seismic upgrades are costly.



Receiving sites. Other amendments to this section allow FAR to be transferred to sites citywide, including sites within historic districts, consistent with proposed FAR transfer allowances in the multi-dwelling zones. This is being done to increase the feasibility of FAR transfers by increasing the numbers of potential receiving sites. Staff anticipate that FAR transfers will only be used by relatively small projects, since buildings with 20 or more units qualify for inclusionary housing development bonuses and will not be able to receive additional FAR from transfers. Also consistent with the multi-dwelling zones, the amendments would not allow transfers into the Central City plan district, which has separate FAR transfer provisions than the rest of the city. The amendments will continue to prohibit FAR transfers into the CR zone, where development is intended to remain small scale, in keeping with the scale of the low-rise residential areas where this zone is located. Consistent with the multi-dwelling zone amendments, FAR transfers are generally prohibited from being used on receiving sites where a historic resource has been demolished to prevent the additional FAR from serving as an incentive for demolition of historic resources.

D. Replacement Code – Commercial Zones (Chapter 33.130) Bonus Options:

33.130.212 Floor Area and Height Bonus Options

- A. [No change to Recommended Draft]
- B. **General floor area and height bonus regulations.**
 - 1. Unless specified below, the bonus options in this section are allowed only in the CM1, CM2, CM3, and CE zones, and in the CX zone outside the Central City and Gateway plan districts. Sites located within Historic or Conservation districts are not eligible to use bonus options. Sites where a Historic or Conservation Landmark or a contributing structure in a Historic or Conservation District has been demolished within the past ten years are not eligible to use bonus options unless the landmark or contributing structure was destroyed by fire or other causes beyond the control of the owner, or the only structure on the site that was demolished was an accessory structure.
 - 2.-4. [No change to Recommended Draft]
- C.-E. [No change to Recommended Draft]

Replacement Commentary:

(Only the paragraph text on page 20 of Recommended Draft Volume 3 will be replaced. No changes to the graphics or image captions on this page.)

33.130.212 Floor Area and Height Bonus Options

Amendments to this paragraph will allow the use of FAR bonuses in the commercial/mixed use zones within historic and conservation districts, bringing consistency with allowances in the multi-dwelling zones. Development proposals in historic districts will be subject to Historic Resource Review, which considers context in determining the appropriate scale of new development (scale allowed by FAR bonuses may not always be approved). The majority of mixed use zoning in historic and conservation districts consists of the CM2 zone, which has a

base maximum FAR of 2.5 to 1. Bonuses in this zone will allow up to a 4 to 1 FAR, with base height in historic and conservation districts limited to 45 feet. Consistent with the multi-dwelling zone amendments, bonuses are generally prohibited from being used on sites where a historic resource has been demolished to prevent bonus FAR from serving as an incentive for demolition of historic resources.

The Planned Development Bonuses is excluded from being used in historic districts because this bonus provides additional height, not FAR. Also, there are no properties in historic districts with mixed use zoning that are two acres or more in size.

4. Bonuses and FAR Transfers – Transit Access

Code sections: 33.120.210; 33.120.211; 33.130.205; 33.130.212

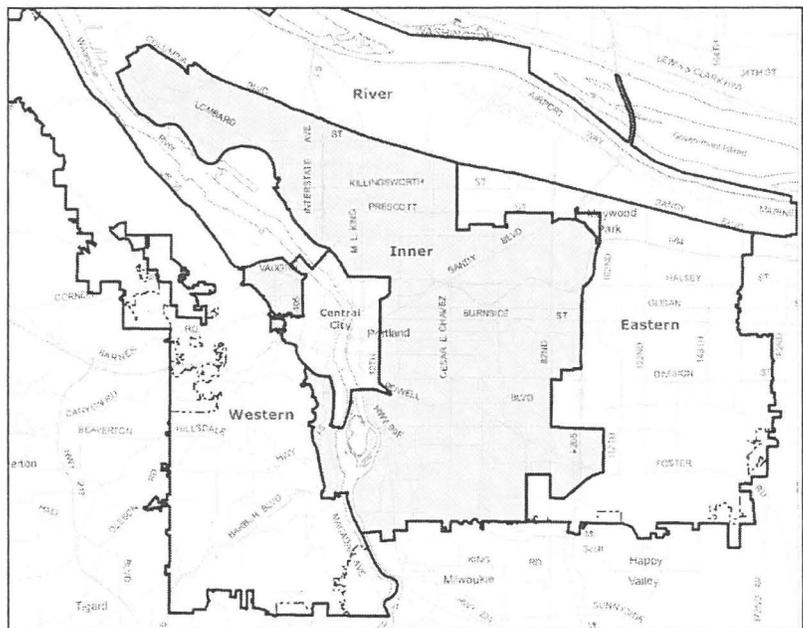
Sponsored by: Commissioner Fritz

Explanation: These amendments will prevent development bonuses and FAR transfers from being used on sites that are more than a 1,500-foot walking distance from frequent-service transit. The intent of the amendments is to ensure that the additional development allowed by bonuses and FAR transfers takes place only in areas well-served by transit, where development will be within walking distance of frequent-service transit (1,500 feet is a little more than a quarter-mile distance). The amendments will apply in both the Multi-Dwelling (Chapter 33.120) and Commercial (33.130) zones.

Notes: The amended regulations would require that development proposals seeking to utilize bonuses or transfers in the Western, Eastern, and River pattern areas (see map below) would need to demonstrate that the site is within 1,500 feet of transit stations or frequent-service transit lines (service at least every 20 minutes during peak hours), as measured using the street network. This requirement would not apply in the Inner Pattern Area, which has a more extensive transit system with fewer gaps than the other areas. The regulations would also allow bonuses and transfers to be used within all designated centers, which are being designated as Pedestrian Districts in the Transportation System Plan. Analysis indicates that 89 percent of multi-dwelling zone properties and 93 percent of commercial/mixed use zone properties are within a 1,500-foot distance from frequent service transit, as measured using the street network. With these amendments, outside of this distance, new development of buildings with 20 or more units will still be subject to inclusionary housing requirements, but will not be eligible to receive bonus FAR. There are four parts to these amendments:

- A. Amendments to FAR transfers in the Multi-Dwelling zones.
- B. Amendments to bonus options in the Multi-Dwelling zones
- C. Amendments to FAR transfers in the Commercial zones.
- D. Amendments to bonus options in the Commercial zones

*Pattern areas map
(Inner Pattern Area shaded)*



A. Replacement Code – Multi-Dwelling Zones (Chapter 33.120) FAR Transfers:

33.120.210 Floor Area Ratio

A.-C. [No change to Recommended Draft]

D. Transfer of FAR. FAR may be transferred from one site to another subject to the following:

1. [No change to Recommended Draft]
2. Receiving site. The transfer must be to a site zoned RM1, RM2, RM3, RM4, or RX outside of the Central City plan district. Transferring to a site zoned RMP is prohibited. In the Eastern, Western, and River Pattern Areas shown on Map 120-3, the receiving site must be within 1500 feet of a transit station or a transit street with 20-minute peak hour service, or in a Pedestrian District. For the purposes of this regulation, the 1500-foot distance is the shortest distance measured in the street between the property line of the receiving site and a transit station or to the edge of the nearest transit street with 20-minute peak hour service.

3.-4. [No change to Recommended Draft]

Replacement Commentary:

(Only the 33.120.210.D commentary section on page 60 of Recommended Draft Volume 2 will be replaced)

33.120.210.D. Transfer of FAR (continued)

All the FAR transfer provisions will allow for FAR to be sent to a receiving site with multi-dwelling zoning citywide (except the Central City, which has separate FAR transfer provisions), with limitations based on proximity to transit. This is a change from existing FAR transfer regulations, which are currently limited to a two-mile transfer distance. This is being done to increase the feasibility of FAR transfers by increasing the numbers of potential receiving sites. Staff anticipate that FAR transfers will only be used by relatively small projects, since buildings with 20 or more units qualify for inclusionary housing development bonuses and will not be able to receive additional FAR from transfers. In the Eastern, Western, and River pattern areas, FAR transfers cannot be used on sites more than a 1,500-foot walking distance of frequent-service transit, as measured using the street network, to ensure that the additional development allowed by transfers only takes place in areas well-served by transit. This limitation will not apply in the Inner Pattern Area, which has a more extensive transit system with fewer gaps than the other areas. Transfers will also be allowed to be used within all designated centers, which are being designated as Pedestrian Districts in the Transportation System Plan.

B. Replacement Code – Multi-Dwelling Zones (Chapter 33.120) Bonus Options:

33.120.211 Floor Area Bonus Options

A. [No change to Recommended Draft]

B. General floor area bonus regulations.

1. The floor area bonus options in this section are only allowed in the RM1, RM2, RM3, RM4, and RX zones outside the Central City and Gateway plan districts. In the Eastern, Western, and River Pattern Areas shown on Map 120-3, only sites within 1500 feet of a transit station or a transit street with 20-minute peak hour service, or in a Pedestrian District, are eligible to use bonus options. For the purposes of this regulation, the 1500-foot distance is the shortest distance measured in the street between the property line of the site and a transit station or to the edge of the nearest transit street with 20-minute peak hour service.

2.-4. [No change to Recommended Draft]

C. [No change to Recommended Draft]

Replacement Commentary:

(Only the 33.120.211 commentary paragraph on page 62 of Recommended Draft Volume 2 will be replaced)

33.120.211 Floor Area Bonus Options

This new section includes development bonuses for affordable housing, moderate-income family housing, and visitable units. The proposed regulations limit the total amount of FAR that can be added to a site, from both transfers and from development bonuses, to an amount equivalent to 50 percent beyond the base FAR (see Table 120-5). An exception is provided for projects using the special bonus for deeper housing affordability, which could receive a 100 percent increase in FAR. In the Eastern, Western, and River pattern areas, bonuses cannot be used on sites more than a 1,500-foot walking distance of frequent-service transit, as measured using the street network, to ensure that the additional development allowed by bonuses only takes place in areas well-served by transit. This limitation will not apply in the Inner Pattern Area, which has a more extensive transit system with fewer gaps than the other areas. Bonuses will also be allowed within all designated centers, which are being designated as Pedestrian Districts in the Transportation System Plan.

C. Replacement Code – Commercial Zones (Chapter 33.130) FAR Transfers:

33.130.205 Floor Area Ratio

A.-B. [No change to Recommended Draft]

C. **Transfer of floor area from historic resources.** Floor area ratios may be transferred from a site that contains a historic resource, as follows:

1. [No change to Recommended Draft]

2. Receiving site. The transfer must be to a site that is zoned CM1, CM2, CM3, CE or CX outside of the Central City plan district. Transferring to a site that is zoned CR is prohibited. The receiving site must be within the same recognized neighborhood as the sending site, or within two miles of the transfer site, and must not be within a Historic or Conservation District. In the Eastern, Western, and River Pattern Areas shown on Map 130-2, the receiving site must be within 1500 feet of a transit station or a transit street with 20-minute peak hour service, or in a Pedestrian District. For the purposes of this regulation, the 1500-foot distance is the shortest distance measured in the street between the property line of the receiving site and a transit station or to the edge of the nearest transit street with 20-minute peak hour service.

3.-6. [No change to Recommended Draft]

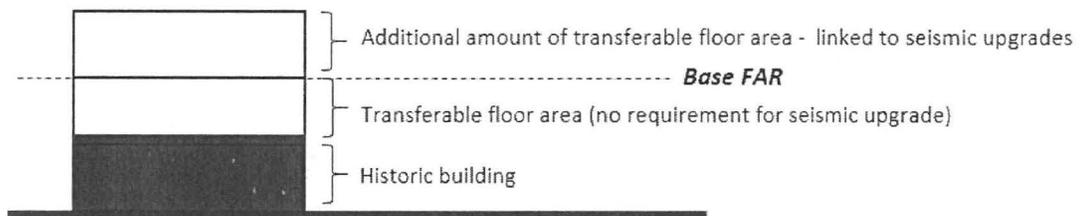
Replacement Commentary:

33.130.205.C Transfer of floor area from historic resources

Amendments to this paragraph include:

Transfer of floor area from historic resources - additional FAR transfer allowance for seismic upgrades. Amendments to the historic resources transfer provision will allow an additional amount of FAR (beyond the amount of unused development capacity), equivalent to 50 percent of the base FAR of each zone, to be transferred to other sites, but use of this additional increment of transferable FAR will only be available in conjunction with seismic upgrades. This amendment is consistent with changes proposed for the multi-dwelling zones (Chapter 33.120) and is intended to provide an incentive for seismic upgrades to historic buildings by helping to defray the costs of these upgrades.

This regulation uses an existing provision that applies in the Central City, but will extend it to multi-dwelling and mixed use zones citywide. The need for seismic upgrades to unreinforced masonry buildings (URMs) is an especially important issue for Portland's historic resources, as nearly 600 historic buildings are URMs - often brick - and seismic upgrades are costly.



Receiving sites. Other amendments to this section allow FAR to be transferred to sites citywide, including sites within historic districts, with limitations based on proximity to transit - consistent with proposed FAR transfer allowances in the multi-dwelling zones. This is being done to increase the feasibility of FAR transfers by increasing the numbers of potential receiving sites. Staff anticipate that FAR transfers will only be used by relatively small projects, since buildings with 20 or more units qualify for inclusionary housing development bonuses and will not be able to receive additional FAR from transfers. Also consistent with the multi-dwelling zones, the amendments would not allow transfers into the Central City plan district, which has separate FAR transfer provisions than the rest of the city. The amendments will continue to prohibit FAR transfers into the CR zone, where development is intended to remain small scale, in keeping with the scale of the low-rise residential areas where

this zone is located. In the Eastern, Western, and River pattern areas, FAR transfers cannot be used on sites more than a 1,500-foot walking distance of frequent-service transit, as measured using the street network, to ensure that the additional development allowed by transfers only takes place in areas well-served by transit. This limitation would not apply in the Inner Pattern Area, which has a more extensive transit system with fewer gaps than the other areas. Transfers will also be allowed to be used within all designated centers, which are being designated as Pedestrian Districts in the Transportation System Plan.

D. Replacement Code – Commercial Zones (Chapter 33.130) Bonus Options:

33.130.212 Floor Area and Height Bonus Options

A. [No change to Recommended Draft]

B. **General floor area and height bonus regulations.**

1. Unless specified below, the bonus options in this section are allowed only in the CM1, CM2, CM3, and CE zones, and in the CX zone outside the Central City and Gateway plan districts. ~~Sites located within Historic or Conservation districts are not eligible to use bonus options.~~ In the Eastern, Western, and River Pattern Areas shown on Map 130-2, only sites within 1500 feet of a transit station or a transit street with 20-minute peak hour service, or in a Pedestrian District, are eligible to use bonus options. For the purposes of this regulation, the 1500-foot distance is the shortest distance measured in the street between the property line of the site and a transit station or to the edge of the nearest transit street with 20-minute peak hour service.

2.-5. [No change to Recommended Draft]

C.-E. [No change to Recommended Draft]

Replacement Commentary:

(Only the paragraph text on page 20 of Recommended Draft Volume 3 will be replaced. No changes to the graphics or image captions on this page.)

33.130.212 Floor Area and Height Bonus Options

Amendments to this paragraph will allow the use of FAR bonuses in the commercial/mixed use zones within historic and conservation districts, bringing consistency with allowances in the multi-dwelling zones. Development proposals in historic districts will be subject to Historic Resource Review, which considers context in determining the appropriate scale of new development (scale allowed by FAR bonuses may not always be approved). The majority of mixed use zoning in historic and conservation districts consists of the CM2 zone, which has a base maximum FAR of 2.5 to 1. Bonuses in this zone will allow up to a 4 to 1 FAR, with base height in historic and conservation districts limited to 45 feet. In the Eastern, Western, and River pattern areas, bonuses cannot be used on sites more than a 1,500-foot walking distance of frequent-service transit, as measured using the street network, to ensure that the additional development allowed by bonuses only takes place in areas well-served by transit. This limitation will not apply in the Inner Pattern Area, which has a more extensive transit system with fewer

gaps than the other areas. Bonuses will also be allowed within all designated centers, which are being designated as Pedestrian Districts in the Transportation System Plan.

The Planned Development Bonuses is excluded from being used in historic districts because this bonus provides additional height, not FAR. Also, there are no properties in historic districts with mixed use zoning that are two acres or more in size.

5. 100-Foot Height in Historic Districts

Code section: 33.120.215

Sponsored by: Commissioner Fritz

Explanation: In historic districts, this amendment removes an allowance for 100-foot building height within 1,000 feet of light rail stations in the RM4 zone. The intent is to prevent new buildings from being out-of-scale with historic districts, which have very few historic buildings that exceed the base RM4 height limit of 75 feet.

Notes: This is an existing allowance that currently applies in the RH zone (in areas mapped for a 4:1 FAR, which are being assigned RM4 zoning as part of the Better Housing by Design amendments). New development in historic districts is subject to Historic Resource Review, undertaken by the Historic Landmarks Commission, which has the discretion to determine appropriate building height based on the historic context and can deny the full use of the 100-foot building height.

Replacement Code:

33.120.215 Height

- A. [No change to Recommended Draft]
- B. **Maximum Height standard.**
 - 1. Base height. The ~~maximum base~~ heights allowed in the multi-dwelling zones are stated in Table 120-3. The maximum height standard for institutional uses is stated in 33.120.275, Development Standards for Institutions. The maximum height standards for detached accessory structures are stated in 33.120.280, Detached Accessory Structures. In the RM4 zone, the base height is 75 feet, except on sites that are outside of Historic and Conservation Districts and are either within 1,000 feet of a transit station or 500 feet of a transit street with 20-minute peak hour service, where the base height is 100 feet.
 - 2. [No change to Recommended Draft]
- C. [No change to Recommended Draft]

Replacement Commentary:

(Only the paragraph on the RM4 allowance for 100-foot building height on page 80 of Recommended Draft Volume 2 will be replaced. No changes to other paragraphs on this page.)

33.120.215 Height

- The existing allowance for 100-foot building height in the RM4 zone (former RH) within 1,000 feet of transit stations is being expanded to also apply within 500-feet of frequent transit lines. This allowance for 100-foot building height will not be allowed in historic or conservation districts to prevent new development from being out-of-scale with historic buildings (few of which exceed the RM4 zone base height of 75 feet). The additional height is not accompanied by increased FAR, which will provide opportunities for buildings to be taller and less boxy than would be the case for

buildings limited to 75-foot heights when built to the proposed RM4 base and bonus FARs of 4 to 1 and 6 to 1. The expanded allowance for 100-foot building height will increase the amount of land area where this height is allowed from the current 25 acres to a total of 68 acres.

[No changes to the rest of this commentary page]

6. Indoor Common Area Requirement

Commissioner Fritz would like to withdraw this amendment and replace it with amendments 6a, 6b, and 6c (see Major Code Amendments Addendum, page 29).

Code section: 33.120.240

Sponsored by: Commissioner Fritz

Explanation: This amendment requires that large sites (more than 20,000 square feet) include indoor common areas, such as community rooms or recreation rooms, in addition to the proposed requirements for outdoor common areas. This responds to testimony regarding the importance of indoor or covered community space to help reduce social isolation during times of the year when outdoor activity is limited. This is a change from the Recommended Draft, which proposed to allow indoor common areas as an option, not a requirement.

Notes: This amendment will require that projects on large sites include an indoor common area of at least 300 square feet (with minimum dimensions of 15 by 15 feet) as part of the requirement for common areas that will apply to large sites over 20,000 square feet in size. The Recommended Draft large-site requirement calls for common area equivalent in size to 10 percent of site area and allowed for up to half of this amount to be provided as indoor common area. The amendment reduces the maximum percentage that can be indoor common area to 25 percent to ensure that the majority of common area is outdoor space, such as courtyards or play areas.

Replacement Code:

33.120.240 Required Private Outdoor and Required Common Indoor and Outdoor Areas

- A.- [No change to Recommended Draft]
- B. Outdoor area and common area Requirements. In the RM1 through RM4 zones, both outdoor and common areas are required. Required common area may count toward required outdoor area, but individual private outdoor area may not count toward required common area. The standards of this section do not apply in the RX and RMP zones.
 - 1. [No change to Recommended Draft]
 - 2. Required common area.
 - a. Required common area standard. On sites that are more than 20,000 square feet in total site area, at least 10 percent of total site area must be provided as common area. At least 75 percent of the required common area must be outdoor common area, such as outdoor courtyards or outdoor play areas. At least 300 square feet, but not more than 25 percent of the required common area, must be indoor common area.
 - b. [No change to Recommended Draft]
- ~~2C. Size, location and configuration. Required outdoor area may be provided as individual, private outdoor areas, such as patios or balconies, or as common, shared outdoor areas,~~

such as courtyards and play areas. There also may be a combination of individual and common areas.

a~~1~~. [No change to Recommended Draft]

b~~2~~. Common areas.

a. [No change to Recommended Draft]

b. Indoor common area. Where an indoor common area is provided, it must be designed so that a 15 foot x 15 foot square will fit entirely within it. Indoor common area must be an indoor recreational facility or an indoor tenant community room. Indoor common areas that are not recreational facilities or community rooms, such as lobbies, hallways, laundry facilities, storage rooms, and vehicle or bicycle facilities, cannot be used to meet this requirement.

c. [No change to Recommended Draft]

3.-5. [No change to Recommended Draft]

Replacement Commentary: *See next page*

Replacement Commentary:

33.120.240 Required Outdoor Areas (continued)

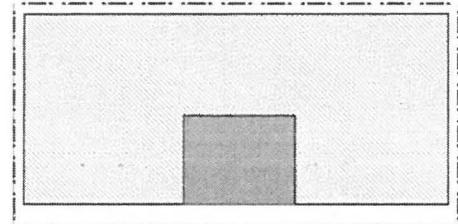
Required common area for large sites

This section includes new requirements for large sites (more than 20,000 square feet in total site area) to include common areas, such as courtyards or play areas. In past projects that focused on the health and activity needs of people living in apartments, residents identified the need for having usable outdoor spaces located close by for activities such as children's play and growing food. Currently, shared outdoor spaces that are large enough to provide these opportunities are not required and often not provided with new multi-dwelling development.



The new regulations require that development on large sites provide common areas equal to 10 percent of total site area (for example, a 30,000 square foot site would need to provide 3,000 square feet of common area). The regulations require both outdoor and indoor common areas. The regulations provide flexibility in the design and location of outdoor common area, which can be located at ground level or on raised courtyards or roof tops, and up to 25 percent of the requirement can be met with indoor common areas, such as indoor recreation or community rooms. A minimum of 300 square feet of indoor common area is required to accommodate year-round activity. For outdoor common areas, a minimum dimension of 20-feet ensures that these areas will be of usable size. The required common area will count toward meeting the per-unit outdoor space requirements.

The 10 percent requirement corresponds to the percent of site area used for shared outdoor areas frequently found in historic and more recent multi-dwelling developments that include common outdoor areas. The diagram (right) shows an area equal to 10 percent of site area in green.

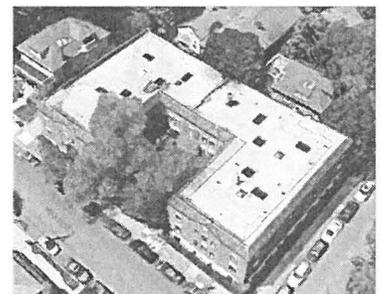


An exception to the common area requirement for large sites is provided for street-oriented housing types, such as townhouses, when larger individual outdoor space is provided for each unit (200 square feet [equal to the R2.5 zone requirement for attached houses], instead of the usual 48 square feet). This addresses concerns raised that the shared common area requirement is not practical for street-oriented housing types.



Street-oriented townhouses on a large site.

Historic and contemporary examples of multi-dwelling housing with courtyards that are approximately 10 percent of site area.



7. FAR Transfers

Code sections: 33.120.210 and 33.130.205

Sponsored by: Mayor Wheeler

Explanation: This amendment will allow FAR to be transferred between sites in multi-dwelling and mixed-use zones. The intent is to expand options for where FAR can be transferred in order to increase the viability of FAR transfers from sites preserving historic buildings, existing affordable units, or large trees..

Notes: The BHD Recommended Draft only allows FAR to be transferred between sites that are both in multi-dwelling zones. Current regulations for the commercial/mixed use zones (Chapter 33.130) only allow FAR transfers to other mixed use zones. Both types of zones prioritize affordable housing by providing the full amount of FAR increase for inclusionary housing projects, and do not allow FAR transfers to a site that receives an inclusionary housing bonus. This means that FAR transfers will only be to sites with smaller buildings with fewer than 20 units that do not trigger inclusionary housing, limiting potential sites that can receive FAR transfers. This amendment would broaden the range of potential receiving sites by allowing FAR to be transferred between sites in the multi-dwelling and mixed-use zones (only 8 percent of Portland's land area has multi-dwelling zoning, and another 7 percent of land area has mixed-use zoning). In the mixed-use zones, FAR transfers would still be limited from increasing the FAR on a receiving site by more than 30 percent (half the FAR increase provided by the inclusionary housing bonus). There are two parts to these amendments:

- A. Amendments to FAR transfers in the Multi-Dwelling zones.
- B. Amendments to FAR transfers in the Commercial zones.

A. Replacement Code – Multi-Dwelling Zones (Chapter 33.120) FAR Transfers:

33.120.210 Floor Area Ratio

A.-C. [No change to Recommended Draft]

D. Transfer of FAR. FAR may be transferred from one site to another subject to the following:

- 1. [No change to Recommended Draft]
- 2. Receiving site. The transfer must be to a site zoned RM1, RM2, RM3, RM4, RX, CM1, CM2, CM3, or CE outside of the Central City plan district. Transferring to a site zoned RMP is prohibited.
- 3.-4. [No change to Recommended Draft]

Replacement Commentary:

33.120.210.D. Transfer of FAR (continued)

All the FAR transfer provisions will allow for FAR to be sent to a receiving site with multi-dwelling or commercial/mixed-use zoning citywide (except the Central City, which has separate FAR transfer provisions). This is a change from existing FAR transfer regulations, which are

currently limited to a two-mile transfer distance. This is being done to increase the feasibility of FAR transfers by increasing the numbers of potential receiving sites. Staff anticipate that FAR transfers will only be used by relatively small projects, since buildings with 20 or more units qualify for inclusionary housing development bonuses and will not be able to receive additional FAR from transfers.

B. Replacement Code – Commercial Zones (Chapter 33.130) FAR Transfers:

33.130.205 Floor Area Ratio

A.-B. [No change to Recommended Draft]

C. **Transfer of floor area from historic resources.** Floor area ratios may be transferred from a site that contains a historic resource, as follows:

1. [No change to Recommended Draft]
2. Receiving site. The transfer must be to a site that is zoned CM1, CM2, CM3, CE₁ or CX₁, RM1, RM2, RM3, RM4, or RX outside of the Central City plan district. Transferring to a site that is zoned CR is prohibited. ~~The receiving site must be within the same recognized neighborhood as the sending site, or within two miles of the transfer site, and must not be within a Historic or Conservation District.~~

3.-6. [No change to Recommended Draft]

Replacement Commentary:

(Only the final paragraph on page 8 of Recommended Draft Volume 3 will be replaced)

Other amendments to this section allow FAR to be transferred to sites with commercial/mixed-use or multi-dwelling zoning citywide, including sites within historic districts, consistent with proposed FAR transfer allowances in the multi-dwelling zones. This is being done to increase the feasibility of FAR transfers by increasing the numbers of potential receiving sites. Staff anticipate that FAR transfers will only be used by relatively small projects, since buildings with 20 or more units qualify for inclusionary housing development bonuses and will not be able to receive additional FAR from transfers. Also consistent with the multi-dwelling zones, the amendments would not allow transfers into the Central City plan district, which has separate FAR transfer provisions than the rest of the city. The amendments will continue to prohibit FAR transfers into the CR zone, where development is intended to remain small scale, in keeping with the scale of the low-rise residential areas where this zone is located.

Part I. Major Code Amendments - Addendum

Commissioner Fritz would like to withdraw Major Code Amendment 6, above, and to replace it with the following amendments for Council consideration.

6a. Indoor Common Area Requirement

Code section: 33.120.240

Sponsored by: Commissioner Fritz

Explanation: This amendment requires that large sites (more than 20,000 square feet) proposed for development with larger multi-dwelling structures (with 20 or more units) include indoor common areas, such as community rooms or recreation rooms, in addition to the proposed requirements for outdoor common areas. This is a change from the Recommended Draft, which proposed to allow indoor common areas as an option, not a requirement. This amendment also exempts indoor common area from FAR calculations so these spaces do not reduce housing capacity. This amendment responds to testimony regarding the importance of indoor or covered community space to help reduce social isolation during times of the year when outdoor activity is limited.

Notes: This replacement amendment limits this requirement to projects that include large buildings with 20 or more units, in response to testimony about the difficulty of including indoor common areas for sites with small-scale housing types, such as clusters of duplexes or townhouses, that do not usually have shared indoor areas such as lobbies or community rooms. This amendment will require that such development on large sites include an indoor common area of at least 300 square feet (with minimum dimensions of 15 by 15 feet) as part of the requirement for common areas that will apply to large sites over 20,000 square feet in size. The FAR exemption for indoor common areas would apply in both the multi-dwelling and mixed-use zones, both of which have options for indoor common areas to be used to meet requirements for outdoor/common areas. The FAR amendment also incorporates a minor amendment to the bicycle parking FAR exemption to provide consistency with code language proposed by the Bicycle Parking Code Update. There are three major parts to these amendments:

- A. Amendments to the Required Outdoor and Common Areas section.
- B. Amendments to the FAR standard in the Multi-Dwelling zones.
- C. Amendments to the FAR standard in the Commercial zones.

A. Replacement Code – Required Outdoor and Common Areas:

33.120.240 Required Outdoor and Common Areas

- A.- [No change to Recommended Draft]

- B. Outdoor area and common area Requirements.** In the RM1 through RM4 zones, both outdoor and common areas are required. Required common area may count toward required outdoor area, but individual private outdoor area may not count toward required common area. The standards of this section do not apply in the RX and RMP zones.
1. [No change to Recommended Draft]
 2. Required common area.
 - a. Required common area standard. On sites that are more than 20,000 square feet in total site area, at least 10 percent of total site area must be provided as common area. The required common area must meet the following:
 - (1) At least 50 percent of the required common area must be outdoor common area such as outdoor courtyards or outdoor play areas;
 - (2) Up to 50 percent of the required common area may be indoor common area such as indoor recreation facilities or indoor community rooms; and
 - (3) On sites that have at least one multi-dwelling structure with 20 or more dwelling units, at least 300 square feet of the required common area must be indoor common area.
 - b. [No change to Recommended Draft]
- 2C. Size, location and configuration.** ~~Required outdoor area may be provided as individual, private outdoor areas, such as patios or balconies, or as common, shared outdoor areas, such as courtyards and play areas. There also may be a combination of individual and common areas.~~
- ~~a1.~~ [No change to Recommended Draft]
 - ~~b2.~~ Common areas.
 - a. [No change to Recommended Draft]
 - b. Indoor common area. Where an indoor common area is provided, it must be designed so that a 15 foot x 15 foot square will fit entirely within it. Indoor common area must be an indoor recreational facility or an indoor tenant community room. Indoor common areas that are not recreational facilities or community rooms, such as lobbies, hallways, laundry facilities, storage rooms, and vehicle or bicycle facilities, cannot be used to meet this requirement.
 - c. [No change to Recommended Draft]
- 3.-5. [No change to Recommended Draft]

Replacement Commentary: *See next page*

Replacement Commentary:

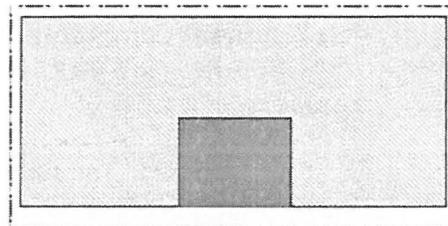
33.120.240 Required Outdoor Areas (continued)

Required common area for large sites

This section includes new requirements for large sites (more than 20,000 square feet in total site area) to include common areas, such as courtyards or play areas. In past projects that focused on the health and activity needs of people living in apartments, residents identified the need for having usable outdoor spaces located close by for activities such as children's play and growing food. Currently, shared outdoor spaces that are large enough to provide these opportunities are not required and often not provided with new multi-dwelling development.

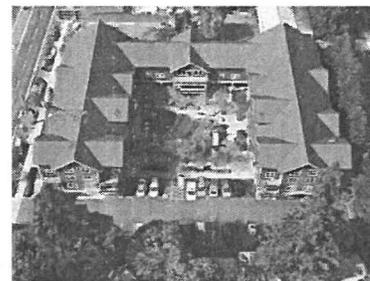


The new regulations require that development on large sites provide common areas equal to 10 percent of total site area (for example, a 30,000 square foot site would need to provide 3,000 square feet of common area). The regulations require both outdoor and indoor common areas. The regulations provide flexibility in the design and location of outdoor common area, which can be located at ground level or on raised courtyards or roof tops, and up to 50 percent of the requirement can be met with indoor common areas, such as indoor recreation or community rooms. For development that includes large buildings with 20 or more units, a minimum of 300 square feet of indoor common area is required to accommodate year-round activity. For outdoor common areas, a minimum dimension of 20-feet ensures that these areas will be of usable size. The required common area will count toward meeting the per-unit outdoor space requirements.



The 10 percent requirement corresponds to the percent of site area used for shared outdoor areas frequently found in historic and more recent multi-dwelling developments that include common outdoor areas. The diagram (right) shows an area equal to 10 percent of site area in green.

An exception to the common area requirement for large sites is provided for street-oriented housing types, such as townhouses, when larger individual outdoor space is provided for each unit (200 square feet [equal to the R2.5 zone requirement for attached houses], instead of the usual 48 square feet). This addresses concerns raised that the shared common area requirement is not practical for street-oriented housing types.



Street-oriented townhouses on a large site.

Historic and contemporary examples of multi-dwelling housing with courtyards that are approximately 10 percent of site area.



B. Replacement Code – FAR Standard in the Multi-Dwelling Zones:

33.120.210 Floor Area Ratio

A. [No change to Recommended Draft]

B. FAR standard. The maximum floor area ratios are stated in Table 120-3 and apply to all uses and development. In the RM4 zone the maximum FAR is 4 to 1, except in Historic Districts and Conservation Districts, where the maximum FAR is 3 to 1. Floor area ratio is not applicable in the RMP zone. There is no maximum limit on the number of dwelling units within the allowable floor area, but the units must comply with all building and housing code requirements. Additional floor area may be allowed through bonus options described in Section 33.120.211, or transferred as described in Subsection D. Maximum FAR does not apply to one alteration or addition of up to 250 square feet when the alteration or addition is to a primary structure that received final inspection at least 5 years ago. This exception is allowed once every 5 years. Adjustments to the maximum floor area ratios are prohibited. Floor area does not include the following:

1. Floor area for structured parking and required long-term bicycle parking not located in a dwelling unit, up to a maximum FAR of 0.5 to 1; and
2. Floor area for indoor common area used to meet the requirements of Section 33.120.240.

C.-D. [No change to Recommended Draft]

Replacement Commentary:

(Only the paragraph B [FAR Standard] commentary on page 56 of Recommended Draft Volume 2 will be replaced)

B. FAR Standard. The standard allows structured parking, required bicycle parking, and indoor common areas to not count against FAR limits (consistent with regulations in the commercial/mixed use zones). These exemptions allow for these features to not result in the loss of housing potential and works in conjunction with other proposals to limit surface parking and encourage indoor common areas. The base FAR in the RM4 zone in historic districts is 3 to 1 (instead of the 4 to 1 FAR that applies outside historic districts) to be responsive to the scale of historic districts (see additional commentary on page 60).

C. Replacement Code – FAR Standard in the Commercial Zones:

33.130.205 Floor Area Ratio

- A. [No change to Recommended Draft]
- B. **FAR standard.** The maximum floor area ratios are stated in Table 130-2 and apply to all uses and development. Additional floor area may be allowed through bonus options, as described in Section 33.130.212, or transferred from historic resources per Subsection C. Except in the CR zone, floor area for structured parking and required long term bike parking, up to a maximum FAR of 0.5 to 1, is not calculated as part of the FAR for the site. Adjustments to the maximum floor area ratios are prohibited. Except in the CR zone, floor area does not include the following:
 - 1. Floor area for structured parking and required long-term bicycle parking not located in a dwelling unit, up to a maximum FAR of 0.5 to 1; and
 - 2. Floor area for indoor common area used to meet the requirements of Section 33.130.228.
- C. [No change to Recommended Draft]

New Commentary:

(The following is a new commentary paragraph that would be added to the beginning of the commentary on Page 8 of Recommended Draft Volume 3)

33.130.205.B FAR Standard

This paragraph is being amended to exempt indoor common areas (such as community or recreation rooms), used to meet residential outdoor area requirements, from maximum FAR calculations, so that providing indoor common areas does not reduce the amount of building space available for residential units.

6b. Indoor Common Area Limitation

Code section: 33.120.240

Sponsored by: Commissioner Fritz

Explanation: This amendment limits the percentage of required common area on large sites that can be indoor common area to 25 percent. This is intended to ensure that the majority of common area required for large sites will be in the form of outdoor common areas, such as courtyards, play areas, or gardens.

Notes: This amendment reduces the maximum amount of required common area that can be indoor common area to 25 percent, instead of the 50 percent limit in the Recommended Draft, to ensure that the majority of required common area is outdoor space. This amendment provides flexibility for indoor common areas to be used to meet common area requirements, but places a greater limit on this proportion to prioritize the provision of outdoor common areas. There are two versions of this amendment, to be used depending on whether or not Amendment 6a is approved (both amendments revise the same code section):

- A. Version 1: To be considered if Amendment 6a is approved.
- B. Version 2: To be considered if Amendment 6a is not approved.

A. Replacement Code – Version 1:

33.120.240 Required Outdoor and Common Areas

A.- [No change to Recommended Draft]

B. Outdoor area and common area Requirements. In the RM1 through RM4 zones, both outdoor and common areas are required. Required common area may count toward required outdoor area, but individual private outdoor area may not count toward required common area. The standards of this section do not apply in the RX and RMP zones.

1. [No change to Recommended Draft]

2. Required common area.

a. Required common area standard. On sites that are more than 20,000 square feet in total site area, at least 10 percent of total site area must be provided as common area. The required common area must meet the following:

(1) At least 75 percent of the required common area must be outdoor common area such as outdoor courtyards or outdoor play areas;

(2) Up to 25 percent of the required common area may be indoor common area such as indoor recreation facilities or indoor community rooms; and

(3) On sites that have at least one multi-dwelling structure with 20 or more dwelling units, at least 300 square feet of the required common area must be indoor common area.

b. [No change to Recommended Draft]

A. Replacement Code – Version 2:

33.120.240 Required Outdoor and Common Areas

- A.- [No change to Recommended Draft]
- B. Outdoor area and common area Requirements. In the RM1 through RM4 zones, both outdoor and common areas are required. Required common area may count toward required outdoor area, but individual private outdoor area may not count toward required common area. The standards of this section do not apply in the RX and RMP zones.
1. [No change to Recommended Draft]
 2. Required common area.
 - a. Required common area standard. On sites that are more than 20,000 square feet in total site area, at least 10 percent of total site area must be provided as common area. At least 75 percent of the required common area must be outdoor common area, such as outdoor courtyards or outdoor play areas. Up to 25 percent of the required common area may be indoor common area.
 - b. [No change to Recommended Draft]
- ~~2C.~~ Size, location and configuration. Required outdoor area may be provided as individual, private outdoor areas, such as patios or balconies, or as common, shared outdoor areas, such as courtyards and play areas. There also may be a combination of individual and common areas.
- ~~a1.~~ [No change to Recommended Draft]
 - ~~b2.~~ Common areas.
 - a. [No change to Recommended Draft]
 - b. Indoor common area. Where an indoor common area is provided, it must be designed so that a 15 foot x 15 foot square will fit entirely within it. Indoor common area must be an indoor recreational facility or an indoor tenant community room. Indoor common areas that are not recreational facilities or community rooms, such as lobbies, hallways, laundry facilities, storage rooms, and vehicle or bicycle facilities, cannot be used to meet this requirement.
 - c. [No change to Recommended Draft]
- 3.-5. [No change to Recommended Draft]

Replacement Commentary:

Will involve minor changes to the figures for allowed percentages for indoor common area in the commentary on page 122 of Recommended Draft Volume 2, or to the commentary on page 31 of this Amendments Packet, depending on which version is approved.

6c. Indoor Common Area FAR Exemption

(This amendment should only be brought forward if Amendment 6a is not approved, as 6a includes the code changes proposed here.)

Code sections: 33.120.210.B and 33.130.205.B

Sponsored by: Commissioner Fritz

Explanation: This amendment exempts indoor common areas from maximum FAR (building floor area) calculations. This is intended to remove a disincentive from providing indoor common areas and to ensure that these spaces do not compete with residential units for building floor area.

Notes: In the BHD Recommended Draft, building floor area used for indoor common areas reduces the amount of building space that can be used for residential units (both must fit within maximum FAR limits). This amendment would exempt indoor common areas (such as community or recreation rooms) from maximum FAR calculations, so that providing indoor common areas does not reduce the amount of building space available for residential units. This exemption would apply in both the multi-dwelling and mixed-use zones, both of which have options for indoor common areas to be used to meet requirements for outdoor/common areas. This amendment also incorporates a minor amendment to the multi-dwelling zones bicycle parking FAR exemption to provide consistency with code language proposed by the Bicycle Parking Code Update. There are two parts to these amendments:

- A. Amendments to the FAR standard in the Multi-Dwelling zones.
- B. Amendments to the FAR standard in the Commercial zones.

A. Replacement Code – FAR Standard in the Multi-Dwelling Zones:

33.120.210 Floor Area Ratio

A. [No change to Recommended Draft]

B. FAR standard. The maximum floor area ratios are stated in Table 120-3 and apply to all uses and development. In the RM4 zone the maximum FAR is 4 to 1, except in Historic Districts and Conservation Districts, where the maximum FAR is 3 to 1. Floor area ratio is not applicable in the RMP zone. There is no maximum limit on the number of dwelling units within the allowable floor area, but the units must comply with all building and housing code requirements. Additional floor area may be allowed through bonus options described in Section 33.120.211, or transferred as described in Subsection D. Maximum FAR does not apply to one alteration or addition of up to 250 square feet when the alteration or addition is to a primary structure that received final inspection at least 5 years ago. This exception is allowed once every 5 years. Adjustments to the maximum floor area ratios are prohibited. Floor area does not include the following:

1. Floor area for structured parking and required long-term bicycle parking not located in a dwelling unit, up to a maximum FAR of 0.5 to 1; and

2. Floor area for indoor common area used to meet the requirements of Section 33.120.240.

C.-D.[No change to Recommended Draft]

Replacement Commentary:

(Only the paragraph B [FAR Standard] commentary on page 56 of Recommended Draft Volume 2 will be replaced)

B. FAR Standard. The standard allows structured parking, required bicycle parking, and indoor common areas to not count against FAR limits (consistent with regulations in the commercial/mixed use zones). These exemptions allow for these features to not result in the loss of housing potential and works in conjunction with other proposals to limit surface parking and encourage indoor common areas. The base FAR in the RM4 zone in historic districts is 3 to 1 (instead of the 4 to 1 FAR that applies outside historic districts) to be responsive to the scale of historic districts (see additional commentary on page 60).

B. Replacement Code – FAR Standard in the Commercial Zones:

33.130.205 Floor Area Ratio

- A. [No change to Recommended Draft]
- B. **FAR standard.** The maximum floor area ratios are stated in Table 130-2 and apply to all uses and development. Additional floor area may be allowed through bonus options, as described in Section 33.130.212, or transferred from historic resources per Subsection C. Except in the CR zone, floor area for structured parking and required long-term bike parking, up to a maximum FAR of 0.5 to 1, is not calculated as part of the FAR for the site. Adjustments to the maximum floor area ratios are prohibited. Except in the CR zone, floor area does not include the following:
 1. Floor area for structured parking and required long-term bicycle parking not located in a dwelling unit, up to a maximum FAR of 0.5 to 1; and
 2. Floor area for indoor common area used to meet the requirements of Section 33.130.228.
- C. [No change to Recommended Draft]

New Commentary:

(The following is a new commentary paragraph that would be added to the beginning of the commentary on Page 8 of Recommended Draft Volume 3)

33.130.205.B FAR Standard

This paragraph is being amended to exempt indoor common areas (such as community or recreation rooms), used to meet residential outdoor area requirements, from maximum FAR calculations, so that providing indoor common areas does not reduce the amount of building space available for residential units.

Part II. Map Amendments

M1. Anna Mann House Rezoning

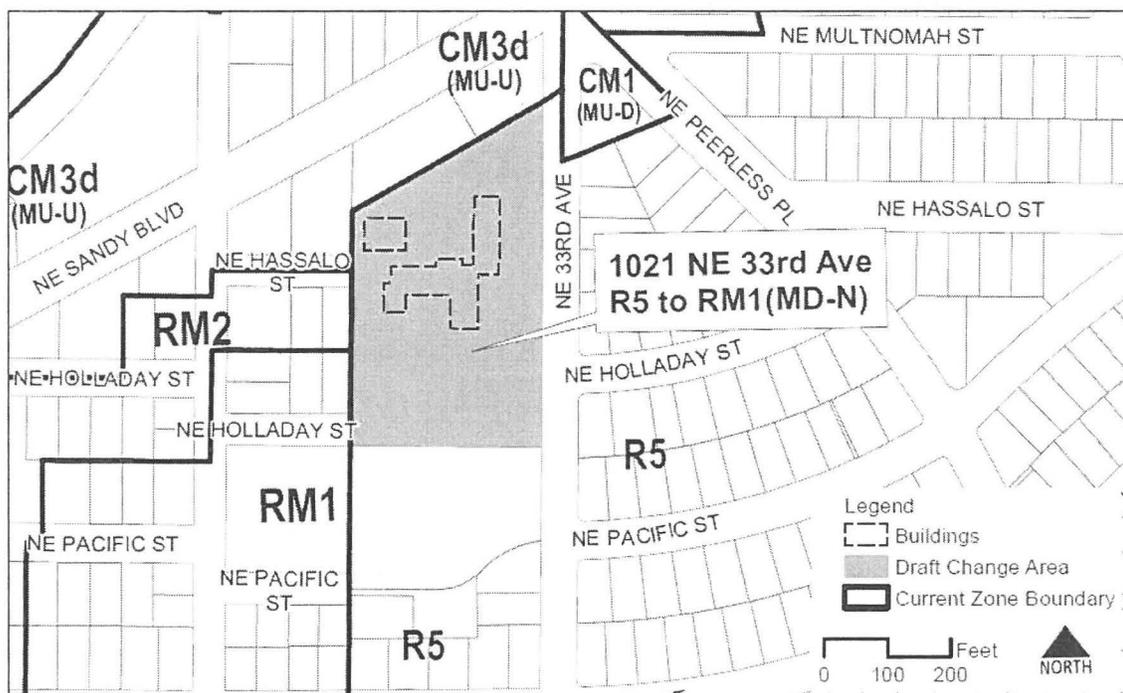
Amends the Zoning Map and Comprehensive Plan Map

Sponsored by: Mayor Wheeler

Explanation: This amendment will change the zoning of the Anna Mann House (1021 NE 33rd Avenue) from single-dwelling R5 to multi-dwelling RM1 and will change the Comprehensive Plan Map designation to the corresponding Multi-Dwelling – Neighborhood designation. This zone change will support the use of this historic property for affordable multi-dwelling housing and help accommodate its preservation.

Notes: The Anna Mann House is on a site with over three acres and is on the National Register of Historic Places. The property is one of Portland's Affordable Housing Bond Projects and is proposed for 88 low-income units for families and households experiencing homelessness. Anna Mann House was originally built as an "old peoples home" and was never a single-family house, although it is located in the R5 single-dwelling zone. Applying the RM1 multi-dwelling zone to this property would provide flexibility for expansion of the multi-dwelling uses of this property and would be more in keeping with the historic use of the Anna Mann House as a multi-dwelling structure. Any additions to the property will require Historic Resource Review, which will help ensure the compatibility of any additions to the property. The property is located close to Sandy Boulevard (portions of the property are located within 50 feet of this corridor), which has frequent transit service and is designated in the Comprehensive Plan as a "Civic Corridor," where higher-density housing is appropriate.

Zoning and Comprehensive Map Changes:



M2. 5631 SE Belmont Zoning Line Shift

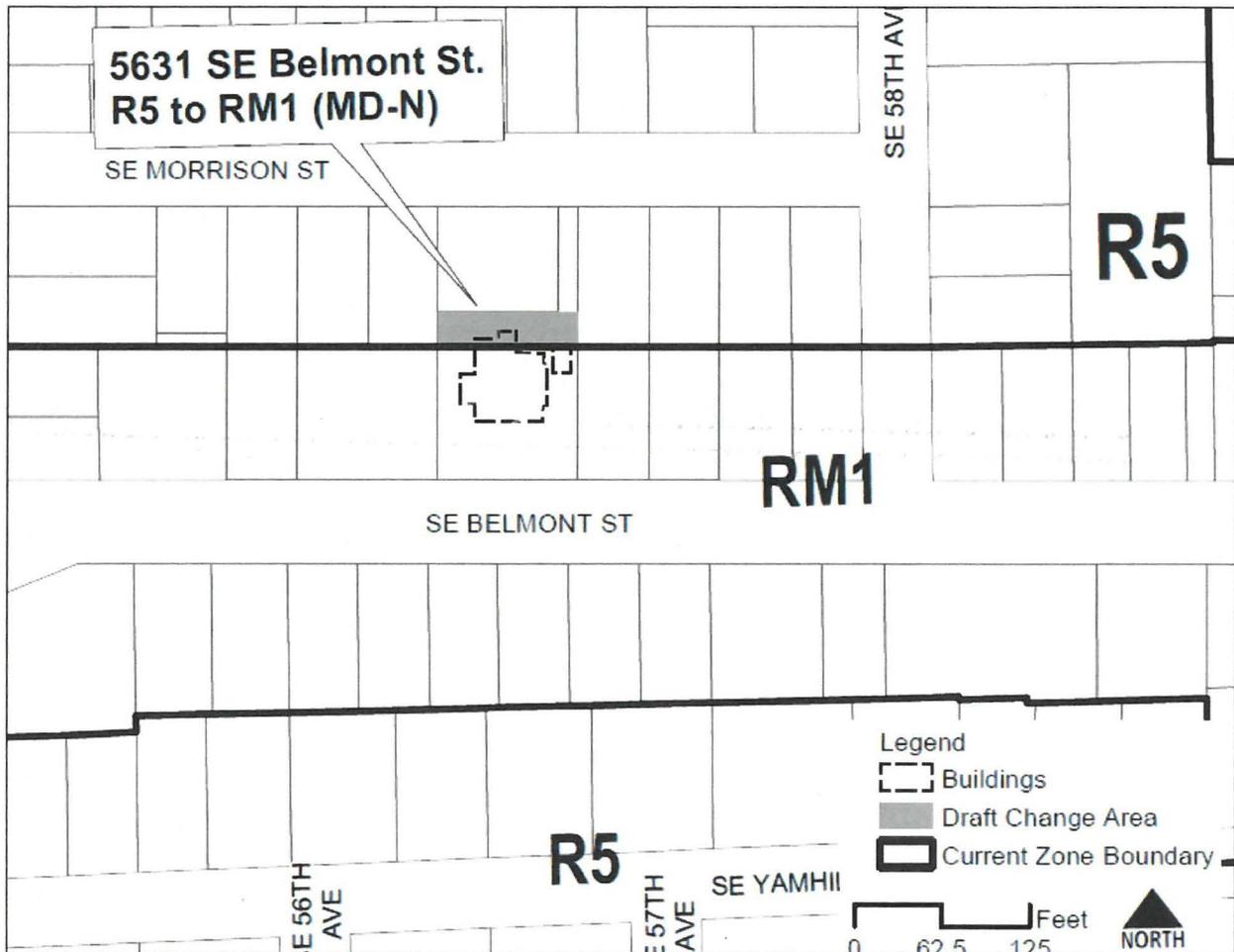
Comprehensive Plan Map amendment: Single-Dwelling – 5,000 to Multi-Dwelling – Neighborhood
 Zoning Map amendment: R5 to RM1

Sponsored by: Commissioner Fritz

Explanation: This amendment would rezone the rear portion of a property at 5631 SE Belmont Street from R5 to RM1 to remove a split zone situation in which the zoning line runs through the 1903 house. This amendment also changes the Comprehensive Plan Map designation on this portion of the property to the corresponding Multi-Dwelling – Neighborhood designation.

Notes: Shifting the zoning line on this property will put the entire house into the same zone (RM1), which will reduce barriers to the use of this structure that are currently limited due to the split zoning.

Zoning and Comprehensive Map Changes:



Part III. Minor or Technical Amendments

A. Amends regulations for minimum lot dimensions in the multi-dwelling zones for duplexes, triplexes, and fourplexes.

Code section: 33.612, Table 612-1

Sponsored by: Mayor Wheeler

Explanation: Amends regulations for minimum lot dimensions in the multi-dwelling zones to:

1. Add “triplexes” and “fourplexes” to the same minimum lot dimensions that now apply to duplexes. The amendment corrects a problem in the Recommended Draft in that these newly-defined housing types are not included in Table 612-1, which means that the table provides no guidance on minimum lot dimensions for these housing types.
2. Shift “duplexes” to the same lot dimension standards that apply to detached houses.

Notes: Triplexes and fourplexes are currently considered to be “multi-dwelling structures,” which in most of the multi-dwelling zones require a minimum size of 10,000 square feet for new lots. The BHD project is redefining triplexes and fourplexes as distinct structure types appropriate for small residential lots, and are proposing to regulate these similarly to other “middle housing” types, such as duplexes and attached houses. These amendments to Chapter 33.612 will allow triplexes and fourplexes on small lots, as is currently the case with duplexes (minimum 2,000 square feet in the RM1 zone).

Allowing duplexes on the same size lots as detached houses is necessary to comply with House Bill 2001, which requires duplexes to be allowed on each lot zoned for residential uses that allows for the development of detached single-family dwellings (minimum 1,600 square feet in the RM1 zone).

Replacement Code: *See next page*

Table 612-1 Minimum Lot Dimensions								
	R3	RM1R2	RM2R1	RM3RH	RM4	RX	RMP	IR (1)
Lots to be developed with:								
Multi-Dwelling Structures or Development:								
Minimum Lot Area	6,000 sq. ft.	4,000 sq. ft.	10,000 sq. ft.	10,000 sq. ft.	<u>10,000 sq. ft.</u>	None	10,000 sq. ft.	10,000 sq. ft.
Minimum Lot Width	50 ft.	33 ft.	70 ft.	70 ft.	<u>70 ft.</u>	None	70 ft.	70 ft.
Minimum Lot Depth	70 ft.	70 ft.	70 ft.	100 ft.	<u>100 ft.</u>	None	100 ft.	100 ft.
Minimum Front Lot Line	50 ft.	30 ft.	70 ft.	70 ft.	<u>70 ft.</u>	10 ft.	70 ft.	70 ft.
Attached Houses and Attached Duplexes								
Minimum Lot Area	1,600 sq. ft.	1,600 sq. ft.	None	None	<u>None</u>	None	NA	None
Minimum Lot Width	15 ft.	15 ft.	15 ft.	None	<u>None</u>	None	NA	None
Minimum Lot Depth	<u>None</u>	None	None	None	<u>None</u>	None	NA	None
Minimum Front Lot Line	15 ft.	15 ft.	15 ft.	10 ft.	<u>10 ft.</u>	10 ft.	NA	10 ft.
Detached Houses and Duplexes								
Minimum Lot Area	1,600 sq. ft.	1,600 sq. ft.	None	None	<u>None</u>	None	NA	None
Minimum Lot Width	25 ft.	25 ft.	25 ft.	None	<u>None</u>	None	NA	None
Minimum Lot Depth	<u>None</u>	None	None	None	<u>None</u>	None	NA	None
Minimum Front Lot Line	25 ft.	25 ft.	25 ft.	10 ft.	<u>10 ft.</u>	10 ft.	NA	10 ft.
Triplexes and Fourplexes Duplexes								
Minimum Lot Area	4,000 sq. ft.	2,000 sq. ft.	None	None	<u>None</u>	None	NA	2,000 sq. ft.
Minimum Lot Width	50 ft.	33 ft.	None	None	<u>None</u>	None	NA	None
Minimum Lot Depth	50 ft.	50 ft.	None	None	<u>None</u>	None	NA	None
Minimum Front Lot Line	50 ft.	30 ft.	10 ft.	10 ft.	<u>10 ft.</u>	10 ft.	NA	30 ft.

Notes:

[1] This regulation may be superseded by an Impact Mitigation Plan.

Replacement Commentary: See next page

Replacement Commentary:

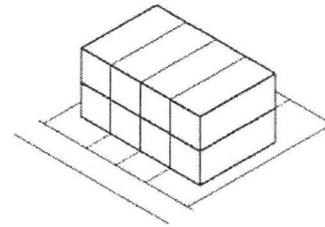
Table 612-1 Minimum Lot Dimensions

The column for the R3 zone is being removed to reflect the R3 zone's deletion from Chapter 33.120 (Multi-Dwelling Zones).

"Attached Duplexes" are being added the section of the table that applies to Attached Houses, due to these housing types' similar characteristics. In many cities where rowhouses with attached sidewalls are common, attached duplexes are a common rowhouse variant and are often located on the same size lots as standard rowhouses. This change will provide attached duplexes with the same lot dimension requirements as applies to attached houses to allow for feasible development configurations.

"Triplexes" and "Fourplexes" are being added to the section of the table currently provided for duplexes. Triplexes and fourplexes are currently considered to be "multi-dwelling structures," which in most of the multi-dwelling zones require a minimum size of 10,000 square feet for new lots. The BHD amendments are redefining triplexes and fourplexes as distinct structure types appropriate for small residential lots, and regulate these housing types in Chapter 33.120 similarly to other small-lot "middle housing" types, such as duplexes and attached houses. The amendments to this table will allow triplexes and fourplexes on small lots, as is currently the case with duplexes.

"Duplexes" are being moved to the same section of the table for detached houses. Allowing duplexes on the same size lots as detached houses is necessary to comply with House Bill 2001, which requires duplexes to be allowed on each lot zoned for residential uses that allows for the development of detached single-family dwellings.



Attached duplexes. The move to a scale/FAR-based approach could open up new opportunities for this type of housing, which is similar in form to attached houses. When each duplex is built on a separate foundation, they can be constructed using 1-2 dwelling building code regulations.



Example of a duplex on a small lot (less than 2,000 square feet in size).

B. Adds the Deeper Housing Affordability Bonus to the types of bonuses eligible for affordable housing exceptions from minimum parking requirements.

(This amendment should be withdrawn if Major Amendment 2 is approved)

Code section: 33.266.110.D

Sponsored by: Mayor Wheeler

Explanation: This amends the affordable housing exceptions from minimum parking requirements, which currently apply to inclusionary housing projects, to also apply to projects using the Deeper Housing Affordability Bonus.

Notes: The existing affordable housing exceptions from minimum parking requirements currently apply to projects using inclusionary housing bonuses and are intended to facilitate development that includes affordable housing. For the same purpose of facilitating affordable housing, this amendment adds projects using the Deeper Housing Affordability Bonus to the affordable housing parking exceptions (such projects would be able to meet or exceed inclusionary housing requirements, providing more affordable units than required by inclusionary housing).

Amended Code *(all text below is new to the Recommended Draft):*

33.266.110 Minimum Required Parking Spaces

A.-C [No change]

D. Exceptions to the minimum number of parking spaces. The minimum number of required parking spaces may be reduced as follows:

1. Affordable housing exceptions:
 - a. Exception for sites close to transit. The minimum number of required parking may be reduced to zero when the following are met:
 - (1) The site is located 1500 feet or less from a transit station, or 500 feet or less from a transit street with 20-minute peak hour service; and
 - (2) The applicant demonstrates compliance with the on-site or off-site affordable dwelling unit requirements of Chapter 33.245, Inclusionary Housing, ~~or~~ the on-site or off-site affordable dwelling unit requirements of an applicable voluntary inclusionary housing bonus, or the requirements of the deeper housing affordability bonus of Section 33.120.211. This exception does not apply if the applicant pays a fee-in-lieu of complying with the requirements of Chapter 33.245, Inclusionary Housing, or makes a payment into the Affordable Housing Fund in exchange for bonus density or FAR.
 - b. Exception for sites far from transit. Affordable dwelling units are not counted toward the total number of dwelling units when calculating the number of required parking spaces when the following are met:
 - (1) The site is located more than 1500 feet from a transit station, or more than 500 feet from a transit street with 20-minute peak hour service; and

- (2) The applicant demonstrates compliance with the on-site or off-site affordable dwelling unit requirements of Chapter 33.245, Inclusionary Housing, ~~or~~ the on-site or off-site affordable dwelling unit requirements of an applicable voluntary inclusionary housing bonus, or the requirements of the deeper housing affordability bonus of Section 33.120.211. This exception does not apply if the applicant pays a fee-in-lieu of complying with the requirements of Chapter 33.245, Inclusionary Housing, or makes a payment into the Affordable Housing Fund in exchange for bonus density or FAR.

2. Other exceptions. [No change]

New Commentary (*all text below is new to the Recommended Draft*):

33.266.110.D Exceptions to the minimum number of parking spaces.

These amendments change the affordable housing exceptions from minimum parking requirements, which currently apply to inclusionary housing projects, to also apply to projects using the Deeper Housing Affordability Bonus in Chapter 33.120.

The existing affordable housing exceptions from minimum parking requirements currently apply to projects using inclusionary housing bonuses and are intended to facilitate development that includes affordable housing. For the same purpose of facilitating affordable housing, this amendment adds projects using the Deeper Housing Affordability Bonus to the affordable housing parking exceptions (such projects would be able to meet or exceed inclusionary housing requirements, providing more affordable units than required by inclusionary housing).

C. Amends the tree preservation FAR transfer provision so that the amount of transfer cannot exceed the amount of unutilized FAR on the sending site.

Code section: 33.120.210.D.1.b

Sponsored by: Mayor Wheeler

Explanation: This amendment brings consistency with other FAR transfer allowances, which generally limit the amount of FAR that can be transferred to the amount of unutilized FAR on the sending site. As written, this transfer allowance could allow more FAR to be transferred from a site than is allowed on the site, which was not the intent of the regulation.

Replacement Code (33.120.210.D.1.b):

D. Transfer of FAR. FAR may be transferred from one site to another subject to the following:

1. Sending site. FAR may be transferred from:

a. [No change to Recommended Draft]

b. A site where trees that are at least 12 inches in diameter are preserved. The maximum amount of floor area that may be transferred for each preserved tree is indicated in Table 120-4, however the maximum amount of FAR that can be transferred may not exceed the total amount of unused FAR on the site. This transfer provision does not apply to dead, dying or dangerous, or nuisance trees. To qualify for this transfer, a report is required from the City Forester or a certified arborist documenting that the trees to be preserved are not nuisance trees and are not dead, dying or dangerous.; or

c. [No change to Recommended Draft]

2.-4. [No change to Recommended Draft]

Replacement Commentary:

No change to commentary

D. Amendments to correct terms used in reference to tree health

Code section: 33.120.210 and 33.120.213

Sponsored by: Mayor Wheeler

Explanation: These are text changes that delete reference to “diseased” and replace with “dying” to more accurately convey the intent of the regulations and to bring consistency with language used elsewhere in the zoning code.

Replacement Code - 33.120.210.D.4.b.(2):

- (2) Require that any tree covered by the covenant that is dead, dying or dangerous be removed and replaced within a 12-month period. The trees must be determined to be dead, dying, or dangerous by the City Forester or a certified arborist. If a tree covered by the covenant is removed in violation of the requirements of this Section, or is dead, dying, or dangerous as the result of a violation, Tree Review is required.

Replacement Code - 33.120.213.B.3.b.(2):

- (2) Allow trees used to reduce the minimum density that die, are dying, or become diseased or dangerous to be removed and replaced within the 10 year preservation period. The trees must be determined to be dead, dying-diseased, or dangerous by an arborist, and a Title 11 tree permit must be obtained. If a tree used to reduce the minimum density is dead, dying diseased, or dangerous as the result of a violation, Tree Review is required; and

E. Amendment to correct paragraph numbering

Code section: 33.120.220.D.1

Sponsored by: Mayor Wheeler

Explanation: This is a technical amendment to correct paragraph numbering.

Replacement Code - 33.120.220.D.1:

D. Extensions into required building setbacks.

1. The following features of a building may extend into a required building setback up to 20 percent of the depth of the setback, except as indicated. However, the feature must be at least 3 feet from a lot line, except as allowed in 33.120.270, Alternative Development Options:
 - a. [No change to Recommended Draft]
 - b. Wheelchair ramps, water collection cisterns and stormwater planters that do not meet the standards of Paragraph D.24;
 - c. Decks, stairways, ~~wheelchair ramps~~, and uncovered balconies that do not meet the standard for Paragraph D.24 below, but only along a street lot line; and
 - d. [No change to Recommended Draft]

F. Amendments to Chapter 33.258 to update zone name and code section references.

Code section: 33.258.060

Sponsored by: Mayor Wheeler

Explanation: These technical amendments update a reference to a multi-dwelling zone (replacing R2 with RM1) and correct a reference to a Chapter 33.120 code section to reflect amendments to Chapter 33.120.

Amended Code (*text below is new to the Recommended Draft*):

33.258.060 Nonconforming Residential Densities

A. Changes to dwellings.

1. [No change]
2. In multi-dwelling zones. In multi-dwelling zones, sites with residential structures may move out of compliance or further out of compliance with the maximum density standards of Table 120-3 if all of the following are met:
 - a. [No change]
 - b. The site is moving out of compliance or further out of compliance with the maximum density standards due to a separation of ownership as allowed by Subsection 33.120.205.C ~~33.120.210.C~~.

B. Discontinuance and damage.

1. [No change]
2. Accidental damage or destruction.
 - a. More than one dwelling unit. When there is more than one dwelling unit on a site, and when the site is nonconforming for residential density, the following applies if a structure containing dwelling units is damaged or destroyed by fire or other causes beyond the control of the owner:
 - (1) [No change]
 - (2) [No change]
 - (3) If the repair cost is more than 75 percent of the assessed value of the structure, the new structure must comply with one of the following, whichever is less restrictive:
 - The development standards (except for density) that would apply to new development on the site; or
 - The development standards (except for density) that would apply to new development in the RM1~~R2~~ zone.
 - b. [No change]
3. [No change]

New Commentary (*all text below is new to the Recommended Draft*):

33.258.060 Nonconforming Residential Densities (continued)

Amendments on this page are updates to a Chapter 33.120 code section reference and to a multi-dwelling zone name.

Part III. Minor or Technical Amendments - Addendum

G. Bicycle parking FAR exemption.

(This amendment should not be brought forward if either Major Amendment 6a or 6b is approved, as these amendments incorporate this minor amendment)

Code section: 33.120.210.B

Sponsored by: Mayor Wheeler

Explanation: Amends the FAR exemption proposed for required long-term bicycle facilities to be consistent with similar code language proposed by the Bicycle Parking Code Update for the Commercial/Mixed Use Zones (Chapter 33.130).

Notes: This minor amendment would add code language specifying that required bicycle parking exempted from FAR calculations does not include bicycle parking inside residential units. The intent is to exempt from FAR calculations long-term bicycle parking in shared facilities, such as indoor bicycle rooms, so that expanded requirements for bicycle parking does not result in the loss of building space available for residential units. Bicycle parking included within units is more problematic to exclude from FAR calculations and alcoves or closets within units designed to accommodate bicycles may also be used for other purposes.

Replacement Code:

33.120.210 Floor Area Ratio

A. [No change to Recommended Draft]

B. FAR standard. The maximum floor area ratios are stated in Table 120-3 and apply to all uses and development. In the RM4 zone the maximum FAR is 4 to 1, except in Historic Districts and Conservation Districts, where the maximum FAR is 3 to 1. Floor area ratio is not applicable in the RMP zone. There is no maximum limit on the number of dwelling units within the allowable floor area, but the units must comply with all building and housing code requirements. Additional floor area may be allowed through bonus options described in Section 33.120.211, or transferred as described in Subsection D. Floor area for structured parking and required long-term bicycle parking not located in a dwelling unit, up to a maximum FAR of 0.5 to 1, is not calculated as part of the FAR for the site. Maximum FAR does not apply to one alteration or addition of up to 250 square feet when the alteration or addition is to a primary structure that received final inspection at least 5 years ago. This exception is allowed once every 5 years. Adjustments to the maximum floor area ratios are prohibited.

C.-D. [No change to Recommended Draft]

ORDINANCE NO.

Amend the Comprehensive Plan, Comprehensive Plan Map, Zoning Map, Title 33-Planning and Zoning, Title 18-Noise Control, Title 30-Affordable Housing, Title 32-Signs and Related Regulations to revise the Multi-Dwelling Residential designations and base zones. (Ordinance; amend Code Title 33, and Code Title 18 and 32)

The City of Portland ordains:

Section 1. The Council finds:

General Findings

1. Portland's continued population and economic growth have had a significant impact on rental housing, resulting in citywide rent increases averaging 5 percent or more from 2012-2016. As noted in the City's 2017 State of Housing Report, after four consecutive years of seeing rent increases of 5 percent or more, Portland saw a smaller overall rent increase in 2017 of 2 percent. However, rents for larger units continued to rise—5 percent for two bedrooms and 10 percent for three bedrooms. At the same time, when adjusted for inflation, renter incomes are still below their pre-recession levels.
2. The livability and quality of multi-dwelling housing has a disproportionate impact on the quality of life of people of color and low-income households. Larger proportions of these populations live in multi-dwelling housing than the general population.
3. Multi-dwelling zones provide affordable housing opportunities. These medium- and higher-density zones will continue to play a critical role in providing a broad range of housing to meet the needs of all Portlanders.
4. Between now and 2035, 80 percent of the roughly 100,000 new housing units developed in Portland will be multi-dwelling units. Nearly one-quarter of the total growth will be in multi-dwelling zones outside the Central City. Many of those buildings will be along transit corridors and in mixed use centers.
5. The objective is to revise City regulations to better implement Comprehensive Plan policies that call for:
 - Housing opportunities in and around centers and corridors.
 - Housing diversity, including affordable and accessible housing.
 - Design that supports residents' health and active living.
 - Pedestrian-oriented street environments.
 - Safe and convenient street and pedestrian connections.
 - Design that respects neighborhood context and the distinct characteristics of different parts of Portland.
 - Nature and green infrastructure that are integrated into the urban environment.
 - Low-impact development that helps limit climate change and urban heat island effects.

6. Statewide Planning Goal 10 requires Portland to enact land use measures that “encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.” “Needed housing” includes multi-dwelling residential units.
7. The *Better Housing by Design Recommended Draft* revises development and design standards in Portland’s multi-dwelling residential zones (R3, R2, R1 and RH) outside the Central City. The types of housing allowed in these areas include apartment buildings of varying sizes, fourplexes, townhouses and rowhouses. These medium- to high-density residential zones provide opportunities for new housing to better meet the needs of a growing Portland.
8. The *Better Housing by Design Recommended Draft* includes a range of zoning code amendments that will expand the diversity of housing options in Portland’s multi-dwelling zones, provide new incentives for affordable housing, address the needs for outdoor spaces and green elements, better integrate development into neighborhoods, and provide specific approaches that are responsive to East Portland’s needs and characteristics.
9. The *Better Housing by Design Proposed Draft* was released on May 11, 2018 for review by the public and the Portland Planning and Sustainability Commission (PSC). The PSC conducted a public hearing on June 12, 2018. The PSC voted on April 30, 2019 to forward to City Council their *Better Housing by Design Recommended Draft*.
10. On May 11, 2018 notice of the *Better Housing by Design Proposed Draft* was filed with the Department of Land Conservation and Development in compliance with the post-acknowledgement review process required by OAR 660-18-020. A revised notice, reflecting Planning and Sustainability Commission *Recommended Draft*, was sent to the Department of Land Conservation and Development on August 28, 2019.
11. On May 11, 2018, a notice of the June 12, 2018 Planning and Sustainability Commission public hearing on the *Better Housing by Design Proposed Draft* was sent to the project’s mailing list, individuals and organizations who requested such notice, and other interested parties.
12. On May 11, 2018, a Measure 56 notice was sent to 33,630 property owners potentially affected by the changes, as required by ORS 227.186. Property owners received a separate notice for each property potentially affected by the proposal.
13. On August 1, 2019, BPS published the Planning and Sustainability Commission’s *Better Housing by Design Recommended Draft* (Exhibit B).

14. A public notice of the October 2, 2019 Portland City Council public hearing on the *Recommended Draft* was sent on September 5, 2019 to those who testified to the Planning and Sustainability Commission, individuals and organizations who requested such notice and other interested parties.
15. The Findings of Fact Report, attached as Exhibit A, includes additional findings demonstrating consistency with the Statewide Planning Goals, Metro Urban Growth Management Functional Plan, and the City of Portland *2035 Comprehensive Plan*.
16. Amendments to Title 30, attached as Exhibit E, are necessary to provide a home ownership option for the deeper housing affordability bonus included in the *Better Housing by Design Recommended Draft* zoning code amendments.

NOW, THEREFORE, the Council directs:

- a. Adopt Exhibit A as additional findings.
- b. Amend the *2035 Comprehensive Plan* to add the policy amendments of the *Better Housing by Design Recommended Draft*, as shown in Exhibit B.
- c. Adopt the commentary in Exhibit B, *Better Housing by Design Recommended Draft*, dated August 1, 2019, as legislative intent and further findings.
- d. Amend Title 33, Planning and Zoning, as shown in Exhibit B, *Better Housing by Design Recommended Draft*, dated August 1, 2019 but excluding the addition of 33.120.211.C.3 (Three-bedroom unit bonus option).
- e. Amend Title 33, Planning and Zoning, 33.120.211.C.3 (Three-bedroom unit bonus option) as shown in Exhibit B, *Better Housing by Design Recommended Draft*, dated August 1, 2019.
- f. Amend Title 18, Noise Control, as shown in Exhibit B, *Better Housing by Design Recommended Draft*, dated August 1, 2019.
- g. Amend Title 32, Signs and Related Regulations, as shown in Exhibit B, *Better Housing by Design Recommended Draft*, dated August 1, 2019.
- h. Amend the Comprehensive Plan Map as shown on Exhibit C (Map 1).
- i. Amend the official Zoning Map to apply the changes shown on Exhibit D (Map 2).
- j. Amend Title 30, Affordable Housing, as shown in Exhibit E.

Section 2.

The directives in this ordinance shall become effective as follows: directives a, b, c, d, f, g, h, i and j become effective on March 1, 2020 and directive e becomes effective on June 1, 2020.

Section 3.

If any section, subsection, sentence, clause, phrase, diagram or drawing contained in this ordinance, or the map, report, inventory, analysis, or document it adopts or amends, is held to be deficient, invalid or unconstitutional, that shall not affect the validity of the remaining portions. The Council declares that it would have adopted the map, report, inventory, analysis, or document each section, subsection, sentence, clause, phrase, diagram and drawing thereof, regardless of the fact that any one or more sections, subsections, sentences, clauses, phrases, diagrams or drawings contained in this Ordinance, may be found to be deficient, invalid or unconstitutional.

Passed by the Council:

Mayor Ted Wheeler
Prepared by: Tom Armstrong
Date Prepared: September 9, 2019

Mary Hull Caballero
Auditor of the City of Portland
By

Deputy

EXHIBIT E**30.01.140 Multi-Dwelling Zones Deeper Housing Affordability FAR Density Program**

- A. Purpose Statement.** The City intends to implement the Multi-Dwelling Zones Deeper Housing Affordability FAR Density Bonus Program (the “DHA Program”) to increase the numbers of Dwelling Units available for sale or for rent to households earning incomes that fall within particular City established parameters.
- B. Administration.**
1. PHB will certify whether the applicant’s proposed development meets the standards and requirements set forth in PCC 33.120.211.C.2 and this Section.
 2. PHB may adopt, amend, and repeal Administrative Rules and prepare forms for the implementation, administration and compliance monitoring consistent with the provisions of this Chapter 30.01.140. The Director of PHB, or a designee, shall have the authority to modify the Administrative Rules as necessary to meet current City housing program requirements. PHB Administrative Rules will set forth clear and objective criteria to establish minimum development standards for affordable units subject to the DHA Program.
- C. Standards.** Developments approved for the DHA Program must satisfy the following criteria:
1. Dwelling units for sale shall remain affordable for a period of at least 10 years and be available to households earning 80 percent or less of area median income, and dwelling units for rent shall remain affordable for a period of 99 years and be available to households earning 60 percent or less of area median income;
 2. Owners are required to sign a Regulatory Agreement that will encumber the property receiving a density bonus under the DHA Program, and will be recorded in the official records of Multnomah County, Oregon;
 3. For rental Dwelling Units, the owner or a representative shall submit annual documentation of tenant income and rents to PHB;
 4. The City may inspect the affordable rental Dwelling Units for fire, life, and safety hazards and for compliance with DHA Program requirements and may inspect files documenting tenant income and rents of the affordable rental Dwelling Units; and

5. Failure to meet the requirements of the DHA Program will result in a penalty, and may result in legal action.

D. Penalties.

1. In the event of a failure to meet the requirements of the DHA Program and the additional requirements established in the Regulatory Agreement, PHB may choose, to negotiate with the building owner to bring the building into project compliance.
2. Should PHB and the owner not agree upon an acceptable remedy to bring the project into compliance, the owner will owe financial penalties payable to PHB as follows:

- a. **For Rent Dwelling Unit Penalty.** For a building with rental Dwelling Units, a penalty equal to multiplying the gross square feet of the residential and residential related portions of the Building by \$23; and

Interest. Interest on the entire unpaid penalty amount, assessed at the rate of .833% simple interest per month or fraction thereof (10% per annum), computed from the date of default; and

Financial Incentive. Repayment of any financial incentives and exemptions received according to code and administrative rules including, but not limited to, system development charges, property taxes, and construction excise taxes; and

Additional Penalties. PHB may pursue any remedy available at law, or in equity, including but not limited to injunctive relief, and other remedies such as foreclosure, or receivership if the financial penalties established in this Section 2 are not timely paid in accordance with the timeframe prescribed by PHB or a court of competent jurisdiction.

Upon Owner's payment in full of the applicable Dwelling Unit Penalty, Interest, Financial Incentive repayment amounts due and payment of any Additional Penalties, the impacted for Sale Dwelling Unit will cease to be bound to the restrictions of the DHA Program and PHB will release the Covenant.

- b. **For Sale Dwelling Unit Penalty.** For for Sale Dwelling Units, repayment of the difference between the Restricted Sale Price and the assessed value as stated in the DHA Program Covenant; and

Interest. Interest on the entire unpaid Penalty amount, assessed at the rate of .833% simple interest per month or fraction thereof (10% per annum), computed from the date of default; and

Financial Incentive. Repayment of any financial incentives and exemptions received according to code and administrative rules including, but not limited to, system development charges, property taxes, and construction excise taxes; and

Additional Penalties. PHB may pursue any remedy at law, or in equity, including but not limited to injunctive relief, and other remedies such as foreclosure, or receivership if the financial penalties established in this Section are not timely paid in accordance with the timeframe prescribed by PHB or a court of competent jurisdiction.

Upon Owner's payment in full of the applicable Dwelling Unit Penalty, Interest, Financial Incentive Repayment amounts due and payment of any Additional Penalties, the impacted for Sale Dwelling Unit will cease to be bound to the restrictions of the DHA Program and PHB will release the Covenant.

Potential Better Housing by Design Amendments Requested by City Commissioners - Update

This list of amendments is subject to change before being finalized for the November 21, 2019, City Council session.

Major Code Amendments

	Potential Amendment	Rationale	Staff Notes
1a	<p>Deeper Housing Affordability Bonus – Zoning Code:</p> <p>Amend the Deeper Housing Affordability Bonus to add the option for projects to use this bonus when meeting affordability levels in Title 30, as an alternative to the 60 percent of area median income affordable level of the bonus (<i>see below</i>).</p> <p><i>Sponsor: Mayor Wheeler</i> <i>Code section: 33.120.211.C.2</i></p>	<p>This amendment would provide flexibility to use this bonus to help address the need for affordable ownership housing, for which the 60 percent of area median income affordability level is not practical (households typically need to earn more than this to qualify for ownership housing programs).</p>	<ul style="list-style-type: none"> • The amendment would retain the requirement for at least 50 percent of units to meet affordability requirements (a much higher percentage than required by inclusionary housing – 20 percent or 10 percent, depending on affordability level). • Projects not using the Title 30 option would need to meet this bonus’s usual qualifying requirement that at least half of units must be affordable to those earning no more than 60 percent of area median family income.
1b	<p>Deeper Housing Affordability Bonus – Title 30:</p> <p>Amend Title 30 (Affordable Housing) to provide standards and administrative approaches to implement the Deeper Housing Affordability Bonus. Include rules specific to rental units (must be affordable at 60 percent of area median income for a 99 -year period) and to ownership units (would need to be affordable at 80 percent of area median income for at least a 10-year period).</p> <p><i>Sponsor: Mayor Wheeler</i> <i>Code section: 30.01.140 (new)</i></p>	<p>The new Title 30 section is needed to implement the deeper housing affordability bonus and to provide options for the bonus to be used to promote affordable home ownership opportunities.</p>	<ul style="list-style-type: none"> • The affordability level for ownership housing will be set at 80 percent of area median income, while rental housing would need to meet the 60 percent of area median income affordable level indicated in the zoning code Deeper Housing Affordability provision. • The rental and ownership housing affordability levels align with existing Housing Bureau programs for affordable housing (SDC waivers, tax exemptions, etc.) • The shorter term of affordability for ownership housing allows for households to gain equity through ownership, especially since an objective of some ownership housing programs is to provide the benefits of ownership to communities that had not always had access to such opportunities in the past due to discriminatory practices.
1c	<p>Amend ordinance to incorporate Title 30 amendments</p> <p><i>Sponsor: Mayor Wheeler</i></p>	<p>This amends the Better Housing by Design ordinance to incorporate the Title 30 amendments in 1b.</p>	<ul style="list-style-type: none"> • Amends the ordinance title and general findings and incorporates a new Exhibit E with the Title 30 amendments.

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<p>2</p>	<p>Affordable housing parking exemption:</p> <p>Amend the Chapter 33.266 affordable housing parking exception so that the exemption from minimum parking requirements for projects providing inclusionary housing units applies regardless of location. The amendment also adds the Deeper Housing Affordability Bonus to the types of affordable housing that can use this exemption.</p> <p><i>Sponsor: Mayor Wheeler</i></p> <p><i>Code section: 33.266.110.D</i></p>	<p>The intent of this amendment is to reduce costs and support the economic feasibility of projects that provide affordable housing units by making parking optional, instead of required. The amendment responds to testimony that requested discontinuing minimum parking requirements, but links this to the provision of affordable units.</p>	<ul style="list-style-type: none"> • This amendment would affect projects providing affordable units through inclusionary housing provisions, primarily in the multi-dwelling and mixed-use zones, as well as the proposed Deeper Housing Affordability Bonus. • Currently, projects utilizing inclusionary housing bonuses are exempt from minimum parking requirements when located within 500 feet of frequent-service transit lines or within 1,500 feet of light rail stations (applies to 73 percent of multi-dwelling zone properties). Outside of these distances, minimum parking requirements apply although affordable units are subtracted from the minimum parking calculations. • 95 percent of multi-dwelling and mixed use zone properties are located within 1,500 feet (just over a quarter mile) of frequent-service transit, meaning that most development is close to frequent transit. • A feasibility analysis (see Recommended Draft Appendix C – Part 2) indicated that parking requirements impact the economic feasibility of projects with inclusionary housing units (structured parking typically costs around \$40,000 per parking space and takes up building area that could be used for housing units).
<p>3</p>	<p>Development bonuses and demolition of historic resources:</p> <p>Disallow development bonuses or FAR transfers from being used on sites where a historic building has been demolished in the past 10 years.</p> <p><i>Sponsor: Commissioner Fritz</i></p> <p><i>Code sections: 33.120.210; 33.120.211; 33.130.205; 33.130.212</i></p>	<p>Prevent the additional development scale provided by bonuses and FAR transfers from serving as an incentive for the demolition of historic buildings.</p>	<ul style="list-style-type: none"> • This prohibition would apply in the multi-dwelling and mixed use zones and would prevent bonuses and FAR transfers from being used on sites where a Historic or Conservation landmark, or a contributing structure in a Historic or Conservation district, has been demolished (with exceptions provided for loss from fire or other catastrophic events). • Demolition of contributing structures in historic districts (such as the Alphabet and King’s Hill historic districts) and Historic Landmarks are subject to City Council approval (through a Type IV demolition review). As a result, there have been very few such demolitions. • For locally-designated historic resources, including contributing structures in conservation districts (such as the Mississippi Avenue conservation district), there is only a demolition delay procedure, which limits the ability to prevent demolitions. These resources are more vulnerable to redevelopment. However, the Historic Resources Code Project is considering requiring demolition review in Conservation Districts and for locally-designated historic landmarks.

4	<p>Development bonuses and transit access:</p> <p>Disallow development bonuses and FAR transfers from being used in locations that are more than a 1,500-foot walking distance from frequent-service transit.</p> <p><i>Sponsor: Commissioner Fritz</i></p> <p><i>Code sections: 33.120.210; 33.120.211; 33.130.205; 33.130.212</i></p>	<p>Ensure that the additional development allowed by bonuses and FAR transfers takes place only in areas well-served by transit, where development will be within walking distance of frequent-service transit.</p>	<ul style="list-style-type: none"> • This limitation would apply in the multi-dwelling and mixed use zones. • Mapping analysis indicates that 89 percent of multi-dwelling zone properties and 93 percent of commercial/mixed use zone properties are within a 1,500-foot distance from frequent service transit, as measured using the street network. • On properties outside of this distance, new buildings with 20 or more units would remain subject to inclusionary housing requirements, but would not be eligible to receive bonus FAR.
5	<p>100-foot height in historic districts:</p> <p>In historic districts, remove the allowance for 100-foot building height within 1,000 feet of light rail stations in the RM4 zone.</p> <p><i>Sponsor: Commissioner Fritz</i></p> <p><i>Code section: 33.120.215.B</i></p>	<p>Prevent new buildings from being out-of-scale with the scale of historic districts, which have very few historic buildings that exceed the base RM4 height limit of 75 feet.</p>	<ul style="list-style-type: none"> • This is an existing height allowance that currently applies in the RH zone in areas mapped for a 4:1 FAR (these areas are being assigned RM4 zoning as part of the Recommended Draft).
6	<p>Indoor common area requirement for large sites:</p> <p>Require that large sites (more than 20,000 square feet) include an indoor common area, such as a community or recreation room, in addition to the proposed requirements for outdoor common areas.</p> <p><i>Sponsor: Commissioner Fritz</i></p> <p><i>Code section: 33.120.240.B.2</i></p>	<p>This responds to testimony regarding the importance of indoor or covered community space to help reduce social isolation during times of the year when outdoor activity is limited.</p> <p><i>Commissioner Fritz would like to withdraw this amendment and replace it with amendments 6a, 6b, and 6c (see Major Code Amendments Addendum, next page).</i></p>	<ul style="list-style-type: none"> • This amendment would require that large sites include an indoor common area of at least 300 square feet as part of requirements for large sites more than 20,000 square feet in size to include common areas. The amendment will allow for indoor common area to comprise up to 25 percent of the total amount of required common area (the rest would need to be outdoor common areas such as courtyards or play areas). • This requirement would be a change from the Recommended Draft, which proposed to allow indoor common areas as a common area option, not a requirement. The Recommended Draft large-site requirement calls for common area equivalent in size to 10 percent of site area and allowed for up to half of this amount to be provided as indoor common area.
7	<p>FAR transfers:</p> <p>Allow FAR to be transferred between sites in multi-dwelling and mixed-use zones.</p> <p><i>Sponsor: Mayor Wheeler</i></p>	<p>The intent is to expand options for where FAR can be transferred in order to increase the viability of FAR transfers from sites preserving historic buildings, existing affordable units, or large trees.</p>	<ul style="list-style-type: none"> • This amendment was requested by Mayor Wheeler and moved for further discussion during the November 6 City Council session. • The BHD Recommended Draft only allows FAR to be transferred between sites that are both in multi-dwelling zones (current allowances in the RH zone also allow transfers to sites in the EX mixed-use zone).

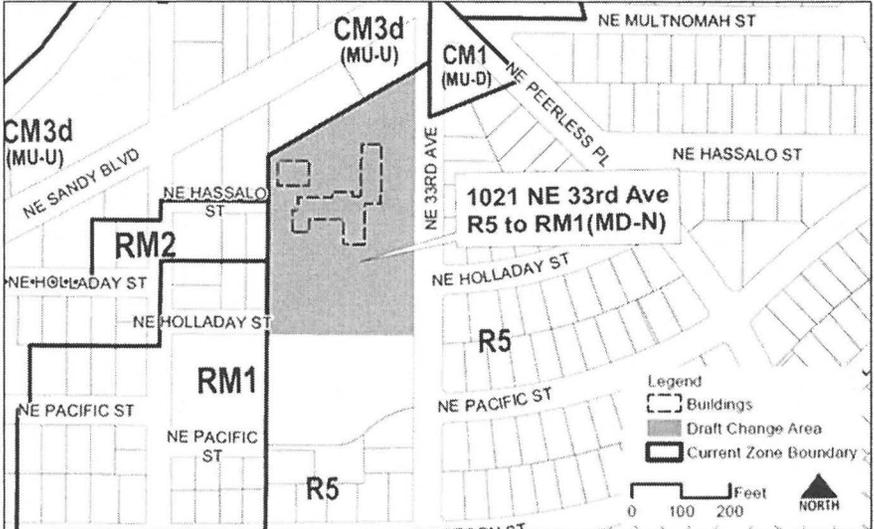
<p>Code sections: 33.120.210 and 33.130.205</p>		<ul style="list-style-type: none"> • Current regulations for the mixed use zones (Chapter 33.130) only allow FAR transfers to other mixed use zones. • Both types of zones prioritize affordable housing by providing the full amount of FAR increase for inclusionary housing projects, and do not allow FAR transfers to a site that receives an inclusionary housing bonus. This means that FAR transfers will only be to sites with smaller buildings with fewer than 20 units that do not trigger inclusionary housing, limiting potential sites that can receive FAR transfers. • This amendment would broaden the range of potential receiving sites by allowing FAR to be transferred between sites in the multi-dwelling and mixed-use zones. Only 8 percent of Portland’s land area has multi-dwelling zoning. Another 7 percent of land area has mixed-use zoning. • In the mixed-use zones, FAR transfers would still be limited from increasing the FAR on a receiving site by more than 30 percent (half the FAR increase provided by the inclusionary housing bonus).
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Major Code Amendments Addendum

Commissioner Fritz would like to withdraw Major Code Amendment 6, above, and to replace it with the following amendments for Council consideration.

	Potential Amendment	Rationale	Staff Notes
6a	<p>Indoor common area - requirement for large sites:</p> <p>Require that large sites proposed for development with larger multi-dwelling structures (with 20 or more units) include an indoor common area, such as a community or recreation room, as part of proposed requirements for common areas. This amendment also exempts indoor common area from FAR calculations.</p> <p><i>Sponsor: Commissioner Fritz</i></p> <p><i>Code sections: 33.120.240; 33.120.210.B; 33.130.205.B</i></p>	<p>This responds to testimony regarding the importance of indoor or covered community space to help reduce social isolation during times of the year when outdoor activity is limited.</p> <p>This replacement amendment limits this requirement to projects that including large buildings with 20 or more units, in response to testimony about the difficulty of including indoor common areas for sites with small-scale housing types, such as clusters of duplexes or townhouses, that do not usually have shared indoor areas such as lobbies or community rooms.</p>	<ul style="list-style-type: none"> • There are two main components to this amendment: <ul style="list-style-type: none"> (A) Require that development that includes large multi-dwelling structures (20+ units) on large sites (more than 20,000 square feet) include an indoor common area of at least 300 square feet (minimum 15’x15’ dimension); and (B) Exempt indoor common areas from maximum FAR calculations, so that these spaces do not reduce housing capacity. • This requirement would be a change from the Recommended Draft, which proposed to allow indoor common areas as a common area option, not a requirement. The Recommended Draft large-site requirement calls for common area equivalent in size to 10 percent of site area and allowed for up to half of this amount to be provided as indoor common area.

6b	<p>Indoor common area - limitation:</p> <p>Limit the maximum percentage of required common area on large sites that can be indoor common area to 25 percent.</p> <p><i>Sponsor: Commissioner Fritz</i></p> <p><i>Code section: 33.120.240.B.2</i></p>	<p>This amendment will ensure that the majority of common area required for large sites will be in the form of outdoor common areas, such as courtyards, play areas, or gardens.</p>	<ul style="list-style-type: none"> • This amendment reduces the maximum amount of required common area that can be indoor common area to 25 percent, instead of the 50 percent limit in the Recommended Draft, to ensure that the majority of required common area is outdoor space. • This amendment provides flexibility for indoor common areas to be used to meet common area requirements, but places a greater limit on this proportion to prioritize the provision of outdoor common areas.
6c	<p>Indoor common area - exemption from FAR calculations:</p> <p>Exempt indoor common areas from maximum FAR (building floor area) calculations.</p> <p><i>Sponsor: Commissioner Fritz</i></p> <p><i>Code sections: 33.120.210.B and 33.130.205.B</i></p>	<p><i>This amendment should only be considered if Amendment 6a is not supported by City Council.</i></p> <p>This is intended to remove a disincentive from providing indoor common areas and to ensure that these spaces do not compete with residential units for building floor area.</p>	<ul style="list-style-type: none"> • In the BHD Recommended Draft, building floor area used for indoor common areas reduces the amount of building space that can be used for residential units (both must fit within maximum FAR limits). • This amendment would exempt indoor common areas (such as community or recreation rooms) from maximum FAR calculations, so that providing indoor common areas does not reduce the amount of building space available for residential units. • This exemption would apply in both the multi-dwelling and mixed-use zones, both of which have options for indoor common areas to be used to meet requirements for outdoor/common areas.

	Potential Amendment	Rationale	Staff Notes
M1	<p>Anna Mann House rezoning:</p> <p>Change the zoning of the Anna Mann House (1021 NE 33rd Avenue) from single-dwelling R5 to multi-dwelling RM1. Change the Comprehensive Plan Map designation to the corresponding Multi-Dwelling – Neighborhood designation.</p> <p><i>Sponsor: Mayor Wheeler</i></p>	<p>This zone change would support the use of this historic property for affordable multi-dwelling housing and help accommodate its preservation.</p>	<ul style="list-style-type: none"> • The Anna Mann House is on a site with over three acres and is on the National Register of Historic Places. • This property is one of Portland’s Affordable Housing Bond Projects and is proposed for 88 low-income units for families and households experiencing homelessness. • The structure was originally built in 1910 as an “old peoples home” and was never a single-family house, although it is located in the R5 single-dwelling zone. • Applying the RM1 multi-dwelling zone to this property would provide flexibility for expansion of the multi-dwelling uses of this property and would be more in keeping with the historic use of the Anna Mann House as a multi-dwelling structure. Any additions to the property will require Historic Resources Review, which will help ensure the compatibility of any additions to the property. • The property is located close to Sandy Boulevard (portions of the property are located within 50 feet of this corridor), which has frequent transit service and is designated in the Comprehensive Plan as a “Civic Corridor,” where higher-density housing is appropriate. 

M2 5631 SE Belmont zoning line shift:
 For a property at 5631 SE Belmont (currently seeking historic status on the National Register of Historic Places) rezone the rear portion of the lot from **R5** to **RM1** so that the entire house is in the same zone.

Sponsor: Commissioner Fritz

Shifting the zoning line on this property will put the entire house into the same zone (RM1), which will reduce barriers to the use of this structure that are currently limited due to the split zoning.

- Dashed line on map below shows the shift in the zoning boundary between RM1 and R5 zoning.



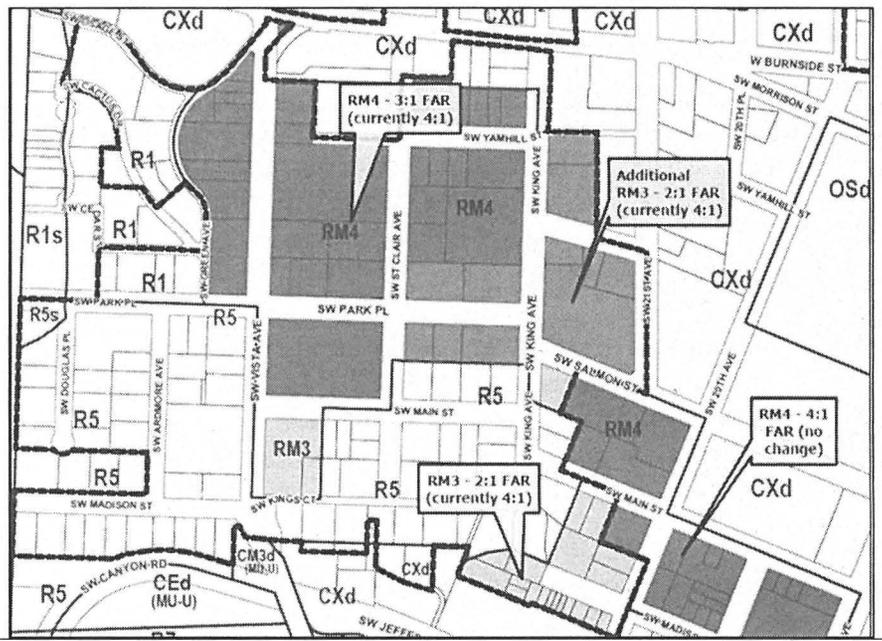
M3 King's Hill Historic District zone changes:
 In the King's Hill Historic District, downzone from RM4 to RM3 four partial blocks where half or more of the buildings are small-scale historic structures (reduces FAR from 3:1 to 2:1).

Sponsor: Commissioner Fritz

Reduce the allowed scale of new development to better match the scale of the small-scale historic buildings on these blocks.

- The predominant scale of historic buildings on these blocks is 2 to 3 stories, with FARs generally under 2:1.
- Current RH zoning on these blocks have a base FAR of 4:1. The BHD proposal for the new RM4 zone reduces the base FAR to 3:1 on these blocks (bonus FAR of 4.5:1), which corresponds to the scale of larger historic buildings in the broader King's Hill Historic District. This amendment would further reduce the base FAR to 2:1.

Blue on map shows area that this amendment would change from RM4 to RM3 zoning.



Minor or Technical Amendments (sponsored by Mayor Wheeler)

	Potential Amendment	Rationale/Notes
A	<p>Amend regulations for minimum lot dimensions in the multi-dwelling zones (Chapter 33.612) to:</p> <ol style="list-style-type: none"> 1. Add “triplexes” and “fourplexes” to the same minimum lot dimensions that now apply to duplexes. 2. Shift “duplexes” to the same lot dimension standards that apply to detached houses. <p><i>Code section: 33.612 – Table 612-1</i></p>	<ul style="list-style-type: none"> • Triplexes and Fourplexes are currently considered to be “multi-dwelling structures,” which in most of the multi-dwelling zones currently require a minimum size of 10,000 square feet for new lots. • The BHD and RIP projects are redefining triplexes and fourplexes as distinct structure types appropriate for small residential lots, and are proposing to regulate these similarly to other “middle housing” types, such as duplexes and attached houses. The amendments to Chapter 33.612 would allow triplexes and fourplexes on small lots, as is currently the case with duplexes (minimum 2,000 square feet in the RM1 zone). • Allowing duplexes on the same size lots as detached houses is necessary to comply with House Bill 2001, which requires duplexes to be allowed on each lot zoned for residential uses that allows for the development of detached single-family dwellings (minimum 1,600 square feet in the RM1 zone).
B	<p>Amend the affordable housing exceptions from minimum parking requirements, which currently apply to inclusionary housing projects, to also apply to projects using the Deeper Housing Affordability Bonus.</p> <p><i>This amendment will be withdrawn if Major Code Amendment 2 passes, since that amendment amends the same regulation.</i></p> <p><i>Code section: 33.266.110.D</i></p>	<ul style="list-style-type: none"> • The existing affordable housing exceptions from minimum parking requirements currently apply to projects using the inclusionary housing bonus and is intended to facilitate development that includes affordable housing. • For the same purpose of facilitating affordable housing, the amendments would add projects using the deeper housing affordability bonus to the affordable housing parking exceptions (such projects will exceed inclusionary housing requirements for numbers of affordable units).
C	<p>Amend the tree preservation FAR transfer provision so that the amount of FAR that can be transferred from a site cannot exceed the amount of unutilized FAR on the site.</p> <p><i>Code section: 33.120.210.D.1.b</i></p>	<ul style="list-style-type: none"> • This amendment brings consistency with other FAR transfer allowances, which generally limit the amount of FAR that can be transferred to the amount of unutilized FAR on a site. • As written, this transfer allowance could allow more FAR to be transferred from a site than is allowed on the site, which was not the intent of the regulation.
D	<p>For regulations related to tree health, delete reference to “diseased” and replace with “dying”.</p> <p><i>Code sections: 33.120.210.D.1.b and 4.b; and 33.120.213</i></p>	<p>Correction</p>
E	<p>Extensions into required building setbacks: correct paragraph numbering.</p> <p><i>Code section: 33.120.220.D.1 b and c</i></p>	<p>Correction</p>
F	<p>Corrections to zone names and section references.</p> <p><i>Code section: 33.258.060</i></p>	<p>Corrections</p>

Minor or Technical Amendments Addendum

Mayor Wheeler would like to introduce this additional minor amendment, which will bring consistency with code amendments proposed by the Bicycle Parking Code Update Project.

189805

	Potential Amendment	Rationale/Notes
G	<p>Amend the FAR exemption proposed for required long-term bicycle facilities to be consistent with a similar exemption proposed by the Bicycle Parking Code Update for the Commercial/Mixed Use Zones (Chapter 33.130).</p> <p><i>This amendment will be withdrawn if Major Code Amendments 6a or 6c pass, since those amendment revise the same code language.</i></p> <p><i>Code section: 33.120.210.B</i></p>	<ul style="list-style-type: none">• This minor amendment would add code language specifying that required bicycle parking exempted from FAR calculations does not include bicycle parking inside residential units.• The intent is to exempt from FAR calculations long-term bicycle parking in shared facilities, such as indoor bicycle rooms, so that expanded requirements for bicycle parking does not result in the loss of building space available for residential units.• Bicycle parking included within units is more problematic to exclude from FAR calculations and alcoves or closets within units designed to accommodate bicycles may also be used for other purposes.

Multi-Dwelling Zones

A. Replacement Code – Multi-Dwelling Zones (Chapter 33.120) FAR Transfers:

33.120.210 Floor Area Ratio

A.-C. [No change to Recommended Draft]

D. Transfer of FAR. FAR may be transferred from one site to another subject to the following:

1. [No change to Recommended Draft]
2. Receiving site. The transfer must be to a site zoned RM1, RM2, RM3, RM4, or RX outside of the Central City plan district. Transferring to a site zoned RMP is prohibited. Transferring to a site where a Historic or Conservation Landmark or a contributing structure in a Historic or Conservation District has been demolished within the past ten years is prohibited unless the landmark or contributing structure was destroyed by fire or other causes beyond the control of the owner, the only structure on the site that was demolished was an accessory structure, or the demolition was approved through demolition review.
- 3.-4. [No change to Recommended Draft]

B. Replacement Code – Multi-Dwelling Zones (Chapter 33.120) Bonus Options:

33.120.211 Floor Area Bonus Options

A. [No change to Recommended Draft]

B. General floor area bonus regulations.

1. The floor area bonus options in this section are only allowed in the RM1, RM2, RM3, RM4, and RX zones outside the Central City and Gateway plan districts. Sites where a Historic or Conservation Landmark or a contributing structure in a Historic or Conservation District has been demolished within the past ten years are not eligible to use bonus options unless the landmark or contributing structure was destroyed by fire or other causes beyond the control of the owner, the only structure on the site that was demolished was an accessory structure, or the demolition was approved through demolition review.

2.-4. [No change to Recommended Draft]

C. [No change to Recommended Draft]

Commercial/Mixed Use Zones

C. Replacement Code – Commercial Zones (Chapter 33.130) FAR Transfers:

33.130.205 Floor Area Ratio

A.-B. [No change to Recommended Draft]

C. **Transfer of floor area from historic resources.** Floor area ratios may be transferred from a site that contains a historic resource, as follows:

1. [No change to Recommended Draft]
2. Receiving site. The transfer must be to a site that is zoned CM1, CM2, CM3, CE or CX outside of the Central City plan district. Transferring to a site that is zoned CR is prohibited. The receiving site must be within the same recognized neighborhood as the sending site, or within two miles of the transfer site, and must not be within a Historic or Conservation District. Transferring to a site where a Historic or Conservation Landmark or a contributing structure in a Historic or Conservation District has been demolished within the past ten years is prohibited unless the landmark or contributing structure was destroyed by fire or other causes beyond the control of the owner, the only structure on the site that was demolished was an accessory structure, or the demolition was approved through demolition review.
- 3.-6. [No change to Recommended Draft]

D. Replacement Code – Commercial Zones (Chapter 33.130) Bonus Options:

33.130.212 Floor Area and Height Bonus Options

A. [No change to Recommended Draft]

B. **General floor area and height bonus regulations.**

1. Unless specified below, the bonus options in this section are allowed only in the CM1, CM2, CM3, and CE zones, and in the CX zone outside the Central City and Gateway plan districts. Sites located within Historic or Conservation districts are not eligible to use bonus options. Sites where a Historic or Conservation Landmark or a contributing structure in a Historic or Conservation District has been demolished within the past ten years are not eligible to use bonus options unless the landmark or contributing structure was destroyed by fire or other causes beyond the control of the owner, the only structure on the site that was demolished was an accessory structure, or the demolition was approved through demolition review
- 2.-4. [No change to Recommended Draft]

C.-E. [No change to Recommended Draft]