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191203

Emergency Ordinance

*Amend Seismic Design Requirements for Existing Buildings Code to adjust the seismic improvement standard of R-2 occupancy classifications (amend Code Section 24.85.040)

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. Since 2015, Portland has faced a housing emergency and currently needs over 20,000 affordable housing units to meet the current demand. This shortage of all types of housing contributes to our homelessness crisis and the accessibility and livability of the city for all residents.
2. As of January 2023, Portland had committed all the Portland Housing Bond funds and other City funding for new affordable rental housing is currently limited.
3. The limited number of housing units in Portland's central city is a contributing factor to Portland's weak downtown recovery from the Pandemic, and according to a study conducted by UC Berkeley, downtown Portland's recovery ranked #60 out of 62 U.S. cities' downtowns.
4. Through the fourth quarter of 2022, the office vacancy rate in Portland's Central Business District is 25.8% and widely expected to continue to rise as tenants exit leases and down-size their need for physical workplaces in the central city. This vacancy rate is significantly higher than in peer cities like Salt Lake City, Austin, and Nashville.
5. Given post-pandemic hybrid and remote work trends, local office leasing agents predict a continued decline in demand for office space. This reduced demand is especially true of Class B and C office spaces as a continued flight to quality occurs in many U.S. cities.
6. It is critical for Portland's downtown recovery that these empty spaces draw new investment and are adapted into a myriad of other uses, including for residential purposes.

Introduced by

[Mayor Ted Wheeler;](#)

[Commissioner Carmen Rubio](#)

Bureau

[Development Services \(BDS\)](#)

Contact

Andrew Fitzpatrick

Director of Economic

Development - Office of Mayor

Wheeler

✉ andrew.fitzpatrick@portlandoregon

Requested Agenda Type

Time Certain

Date and Time Information

Requested Council Date

March 15, 2023

Requested Start Time

10:35 am

Time Requested

25 minutes (2 of 2)

Changes City Code

7. Many of Portland's fully or partially vacant office buildings were constructed before 1994 and would be required to undergo extremely costly seismic upgrade retrofits to change their use to residential according to the City's building code.
8. In the absence of significant financial incentives, office buildings that are otherwise structurally feasible to be converted are unlikely to be changed into residential units, because of the costs of undergoing conversions, especially the seismic upgrade necessary. Without these adaptive reuses of space, office buildings will generally not offer any additional housing and may remain substantially empty without the ability to attract investment for any other use.
9. Other cities across North America, including Calgary, Alberta; Chicago, Illinois; Washington, D.C., offer public subsidies, tax increment finance district investments, tax incentives, and other types of special permitting or zoning programs to encourage office to residential conversion projects.
10. Seismic retrofits for buildings will increase their ability to perform in the case of an earthquake which improves safety for the surrounding neighborhood and rights of way.
11. Converting vacant offices to residential units can contribute to greater vibrancy and livability in the central city and is a more sustainable way of re-purposing old buildings to create needed housing than relying exclusively on new construction.
12. The seismic improvement standard change that this ordinance makes aligns Portland's with other major cities within seismically active regions, like the City and County of San Francisco.
13. The adjusted standard for residential standards resulting from this change is nationally accepted as a standard for most existing buildings for life safety performance.
14. The Building Performance of an Existing (BPOE) standard includes a recognition of buildings built or retrofitted to certain codes, based on the seismic lateral system, as benchmark buildings that may not require certain seismic upgrades. This recognition helps place the focus on older buildings that were constructed before the seismic risk in our region was well understood.

NOW, THEREFORE, the Council directs:

- A. City Code Section 24.85.040 is amended as shown in Exhibit A.

Section 2. The Council declares that an emergency exists because Portland is in critical need of additional housing units and Portland's central city is in critical need of investment into mixed use buildings that address office

vacancies and drive vibrancy and revitalization; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

Documents and Exhibits

 [Exhibit A](#) 103.09 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
March 15, 2023

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

This amendment adjusts the City's building code in order to change the seismic improvement standard that a residential conversion must meet, in alignment with the building code of the City and County and San Francisco. This adjustment preserves seismic safety while easing the path toward the conversion of office buildings into residential units.

Financial and Budgetary Impacts

This building code change will not result in any notable financial or budgetary impact to the City.

Community Impacts and Community Involvement

The Mayor's office collaborated closely with experts in the Bureau of Development Service as well as construction, architecture, and engineering firms externally to develop this policy change.

100% Renewable Goal

In addition to aligning the City's building code to other large U.S. cities in a seismic zone, this adjustment is designed to incentivize residential conversion projects in vacant or underused office buildings. Adaptively reusing office spaces is a much less carbon intensive undertaking compared to new construction. Further, adding additional residents to the central city will increase density, better connect people to mass transit, and reduce commuting needs.

Agenda Items

213 Time Certain in [March 15, 2023 Council Agenda](#)

Passed

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Mayor Ted Wheeler Yea