



# HOUSING REGULATORY RELIEF PROJECT

Planning Commission - Hearing  
October 24, 2023

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THE BUREAU OF  
**PLANNING &  
SUSTAINABILITY**

# Project Timeline



Updates at:

[portland.gov/bps/planning/housing-regulatory-relief](https://portland.gov/bps/planning/housing-regulatory-relief)

# Outreach

## Presentations

- PBOT presentation to Bicycle Advisory Committee
- Development Review Advisory Committee (DRAC)
- Oregon Smart Growth
- Home Builders Association
- Design Commission
- Historic Landmarks Commission
- Central Eastside Industrial Council
- Southeast Uplift
- Planning Commission presentation on 9/26

## Notification

- Legislative noticing and emails, including to all neighborhood associations and targeted interest groups
- BPS E-news and BDS Plans Examiner
- Email to all recipients of the Housing Production Survey



## Written testimony

168 pieces of written testimony received as of 10:00 a.m. on Oct 23, 2023

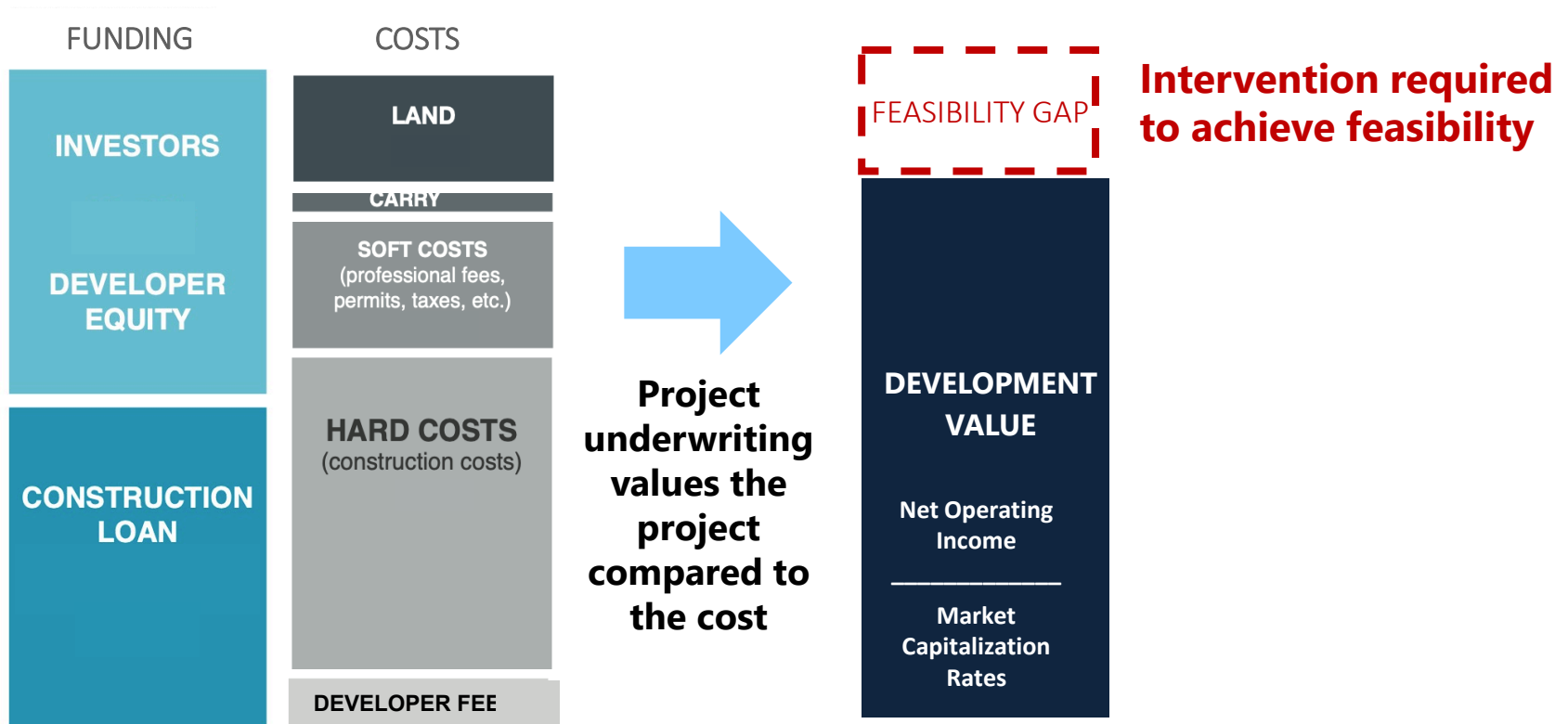
- 2/3 of responses were concerned with **ecorooft and bird-safe glazing** proposal.
- Concern about reduced **bike parking ratios**
- Concern about the suspension of **neighborhood contact** requirement.
- Several entries expressing **general support** of project.



Current Market Conditions

# Market Rate Housing Development

*Projects aren't feasible when the value is less than the cost*



## Current Market Conditions

# What it Will Take For Development to be Financially Feasible

## Market Actions

- Market rate rents increase by 15-35%
- Decrease hard costs by 15-40% or total costs by 12-30%
- Cost of capital (or interest rates) and investor risk analysis decrease to pre-pandemic levels.

## City Actions

- Increase incentives
- Reduce costs by reducing time for permitting approvals
- Reduce costs by reducing code requirements



# Proposal

Provide regulatory relief for building housing projects by temporarily suspending for 5 years, and permanently changing several Zoning Code rules.



# Housing Regulatory Relief Project

## 16 Issues Addressed

Development and Design Standards	Central City Focused	Process Improvement
<ul style="list-style-type: none"> <li>1. <b>Bicycle parking</b></li> <li>2. <b>Ground floor active uses</b></li> <li>3. Nonconforming upgrades</li> <li>4. Loading standards</li> <li>5. Façade articulation</li> <li>6. <b>Ground floor height/ window</b></li> <li>7. Security gates &amp; lighting</li> </ul>	<ul style="list-style-type: none"> <li>8. Major remodel projects</li> <li>9. <b>Ecoroofs</b></li> <li>10. <b>Bird-safe glazing</b></li> <li>11. Central City master plans</li> </ul>	<ul style="list-style-type: none"> <li>12. On-street parking impacts</li> <li>13. <b>Neighborhood contact</b></li> <li>14. Design review procedures for housing</li> <li>15. Land use expiration dates</li> <li>16. Land divisions for attached housing</li> </ul>



# Today's Agenda

- Additional Information and Cost impacts
  - Bike parking
  - Ground floor active uses and height
  - Design Review
  - Ecoroofs and Bird-Safe Glazing
  - Neighborhood Contact
- Portland Housing Bureau experiences
- Invited testimony
- Public testimony



# Bicycle Parking Changes

- Temporarily reduce residential long-term bike parking for residential uses
  - 1.0/unit Close-in
  - 0.7/unit Further out
- Temporarily remove cargo bike requirement
- Remove in-unit standards for alcove & entrance proximity



# Ground Floor Active Use and Height



- Use requirements
  - Temporarily suspend use limitations for projects with residential uses, including dwelling unit prohibition in Central City
- Height requirements
  - Temporarily suspend ground floor height requirements outside Central City for projects with residential uses
- Window requirements
  - Temporarily suspend higher ground floor window requirements for buildings with residential

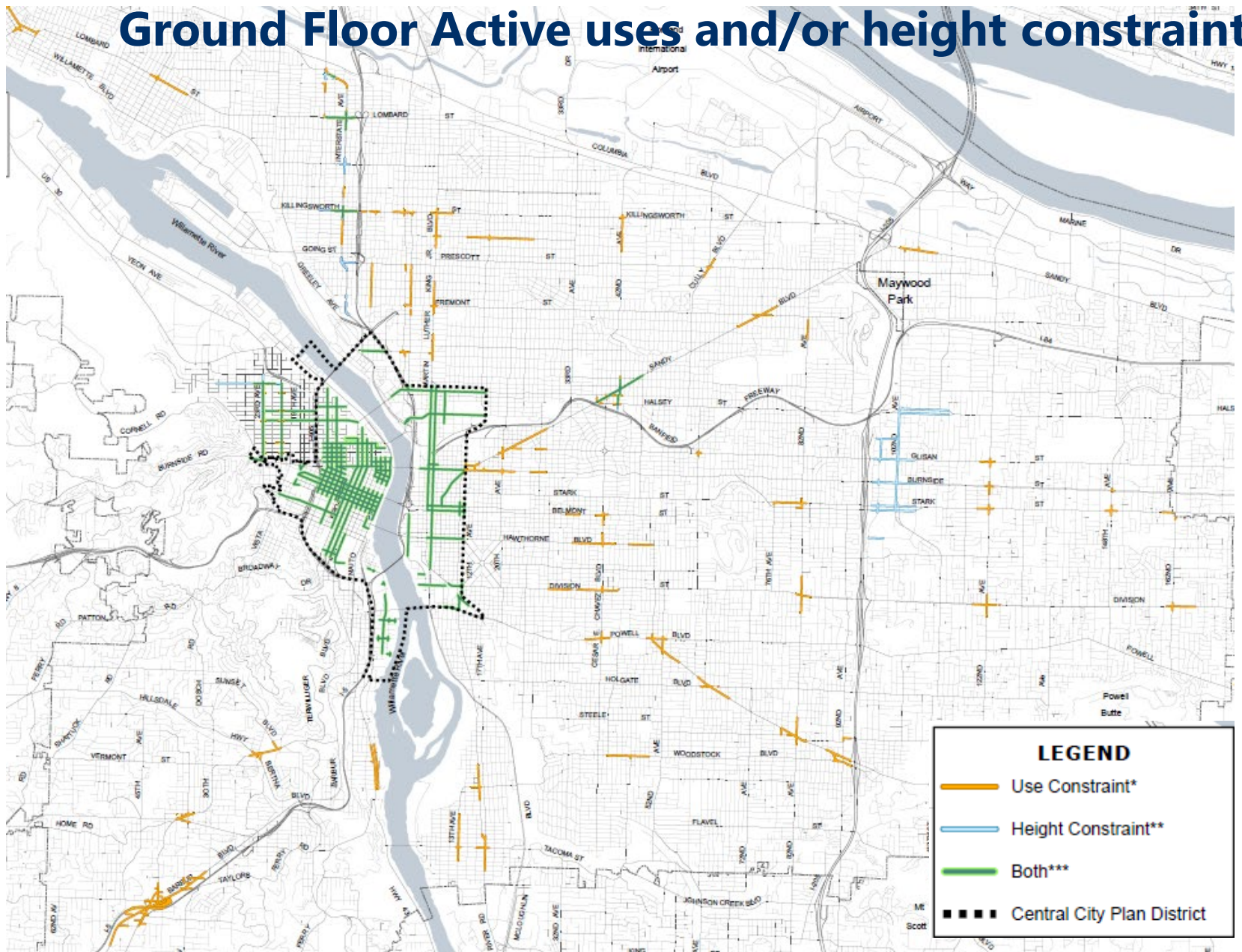
# Design Review Procedures



- Temporarily allow projects with residential uses normally subject to Type III Design Review process w/hearing to a Type II staff process with Design Advice Request (DAR)
- Temporarily allow projects with residential uses normally subject to Type II Design Review process to a Type Ix process

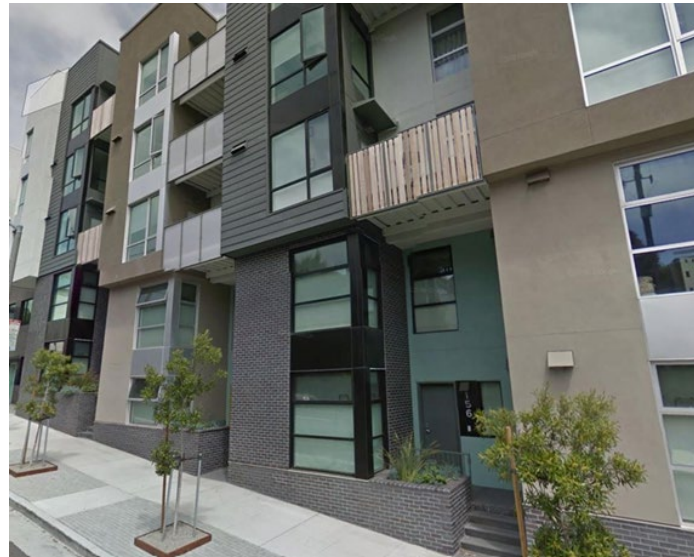
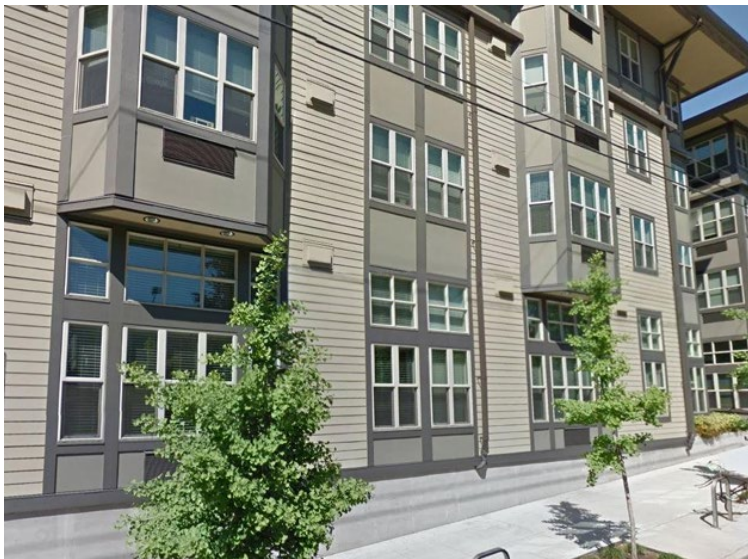


# Ground Floor Active uses and/or height constraint



# Ground floor residential examples

Flexible standards provide options based on market and site conditions.



## Project Costs – Prototype 3

(data from BAE Urban Economics)

- Multi-family development – 64 units
- Tuck-under parking
- 2,500 s.f. ground floor retail space



	<b>Total Cost</b>	<b>Per Unit</b>
Land Cost	\$1,920,000	\$30,000
Hard Cost	\$11,797,500	\$184,336
Parking Cost	\$480,000	\$7,500
Soft Costs	\$2,701,050	\$42,204
SDC / Impact Fees	\$1,167,232	\$18,238
Financing Costs	\$796,701	\$12,448
Developer Fee	\$508,274	\$7,942
<b>Total Development Cost</b>	<b>\$19,370,757</b>	<b>\$302,668</b>

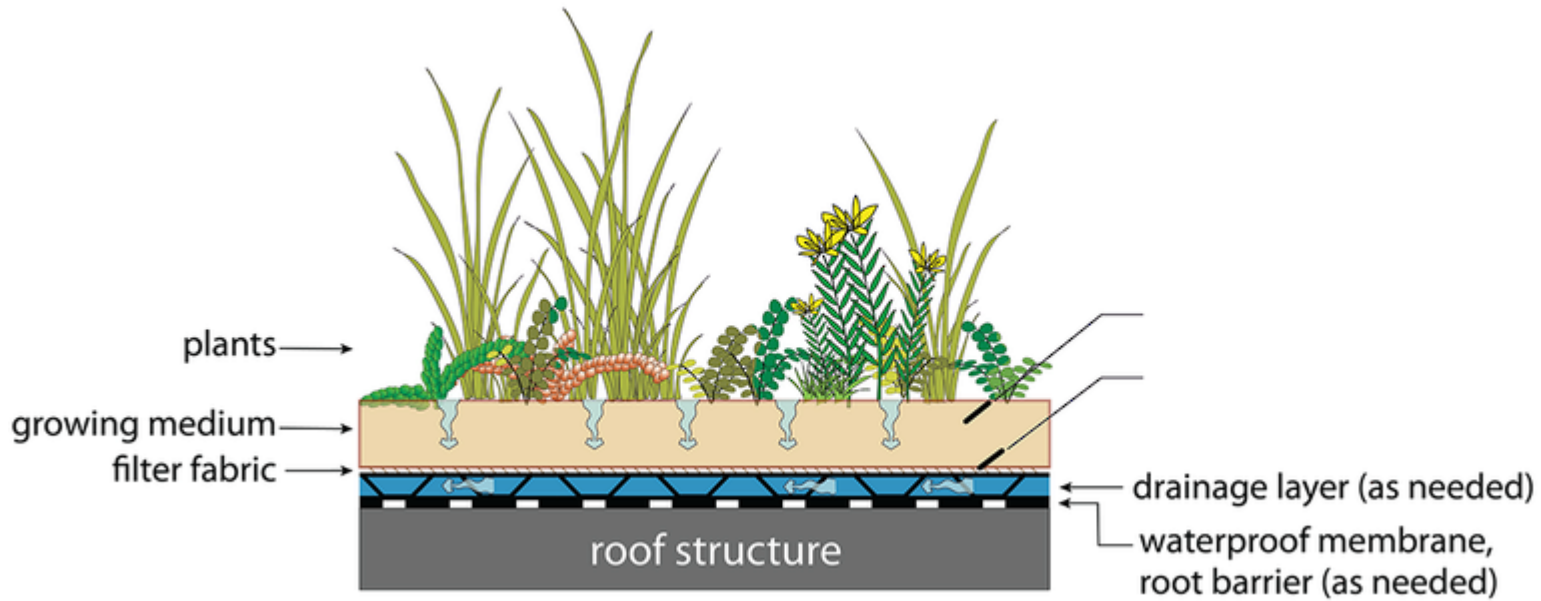
# Estimated Cost Impacts

- Project estimated cost \$19.4M



Bicycle Parking	Ground Floor Active Use	Design Review
96 spaces, all located in dedicated bike rooms (appr. 1,950 s.f.)	Set aside 2,500 s.f. (without tenant improvements)	Time delay & soft cost
Cost - \$509,000 (\$7,953/ dwelling)	Cost - \$676,000 (\$10,560/ dwelling)	Cost - \$170,000 (\$2,660/ dwelling)
Percent of project hard costs – 2.6%	Percent of project hard cost – 3.5%	Percent of project hard cost – 0.9%





## Ecoroofs and Bird-safe Glazing

- Temporarily suspend ecoroof standards in Central City and bird-safe glazing in Central City and River overlay zones
- Permanently clarify that spandrel glass counts as glazing for bird-safe requirement calculations.



# Central City Ecoroofs and Bird-Safe Glazing

## Estimated 22 projects 2018-2022

- Zero (0) adjustments or modifications for bird-safe glazing.
- Five (5) modifications for reduction or removal of ecoroof requirement.



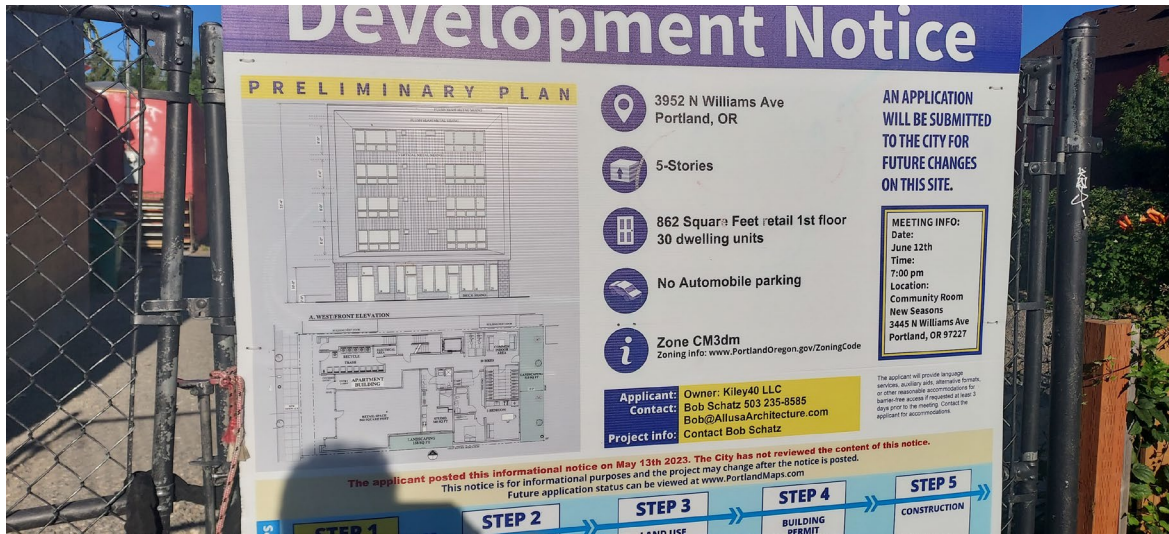
# Estimated Cost Impacts from previous ECONW study - 2017

- Taken from CC 2035 planning work to determine green building costs.
- Buildings ranged in type and height from 4-19 stories
- 2017 dollars (not adjusted for inflation or additional cost increases since 2017)

Ecoroofs *	Bird-safe glazing
0.6-1.0% of project costs	0.3-0.4% of project costs
Can vary by user and development type	Can vary by application
Added \$190k-\$960k	Added \$90k to \$550k **

\* Note: this doesn't consider costs for alternative methods of stormwater mgmt. required by the Stormwater Management Manual.

\*\* It is not clear if study was based on final application to only first 60-ft of building.



## Neighborhood Contact

- Temporarily suspend neighborhood contact requirements for projects with residential uses
- Permanently simplify neighborhood contact options from 3 to 2. *This does reduce meetings held in 'd' overlay.*
- *Note: Does not impact noticing requirements for land use reviews.*



# Other city efforts

Policy	Project Examples
Zoning Code Changes	<ul style="list-style-type: none"> <li>Residential Infill Project (RIP)</li> <li>RICAPs</li> <li>Parking Compliance Project</li> <li>Land Division Code Update</li> </ul>
Tax Exemption & Abatement	<ul style="list-style-type: none"> <li>Various tax exemptions</li> <li>Inclusionary Housing Program</li> </ul>
Financial Resources & Incentives	<ul style="list-style-type: none"> <li>Various housing bonds</li> <li>Tax Increment Financing</li> <li>SDC deferrals</li> </ul>
Reducing Regulatory Burden & Improving Processes	<ul style="list-style-type: none"> <li>Permit Improvement Task Force</li> <li>Single Permitting Office</li> </ul>
Land Inventory	<ul style="list-style-type: none"> <li>Public land inventory</li> </ul>
Stabilization, Anti-Displacement & More	<ul style="list-style-type: none"> <li>Tenant support programs</li> <li>American Rescue Plan funds</li> <li>Rent/bill assistance</li> </ul>





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