

#### Home / Council Documents

## 191609

( Ordinance )

## Amend the Planning and Zoning Code to adopt temporary suspensions and permanent clarifications to development and process regulations as part of the Housing Regulatory Relief Project (amend Code Title 33)

Passed

Amended by Council

The City of Portland ordains:

#### Section 1. The Council finds:

- 1. On January 10, 2023, Governor Kotek signed Executive Order 23-04 acknowledging a statewide housing shortage and affordable housing crisis, establishing an annual housing target statewide of 36,000 units, and establishing a Housing Production Advisory Council to develop an action plan to meet this goal.
- 2. On December 13, 2023, City Council adopted the Bureau of Planning and Sustainability's Housing Needs Analysis and Buildable Land Inventory to address future housing needs. This analysis indicates that Portland should strive to produce 55,000 units by 2032 to address historic underproduction of units.
- 3. On February 16, 2023, the Bureau of Development Services, on behalf of Commissioner Rubio, released a Housing Production Survey online through the Bureaus website. The survey was open until March 3, 2023.
- 4. Participation in the survey was promoted via email to those who have applied for housing construction permits, nonprofit organizations and business associations involved in housing, subscribers to the Bureau of Development Services Plans Examiner newsletter, and employees involved in permitting functions.
- 5. The initial request for participation was sent to approximately 3,100 email addresses. 611 responses were received.
- 6. Participants were provided with a list of over 20 current requirements, many involving regulations and asked to rank the top five issues they believe should be modified to encourage new housing development.

## Introduced by

Commissioner Carmen Rubio

#### Bureau

<u>Planning and Sustainability</u> (BPS)

#### Contact

#### **Phil Nameny**

City Planner II, Planning and Sustainability

□ phil.nameny@portlandoregon.gov

**J** 503-823-7709

### Requested Agenda Type

Time Certain

#### **Date and Time Information**

**Requested Council Date** January 31, 2024

Requested Start Time

9:45 am

**Time Requested** 

15 minutes

Changes City Code

- 7. The results of this survey were analyzed and formed the initial basis for the workplan for the Housing Regulatory Relief Project. Further regulatory and process items were included based on discussions with the Bureaus of Development Services and Housing.
- 8. On September 18, 2023, notice of the Housing Regulatory Relief Project Proposed Draft and Planning Commission hearing was sent out to the Bureau of Planning and Sustainability's (BPS) legislative mailing list.
- 9. On September 20, 2023 the Housing Regulatory Relief Project Proposed Draft was released.
- 10. On September 26, 2023, BPS staff provided a briefing on the project in front of the Portland Planning Commission.
- 11. On October 24, 2023, the Planning Commission held a public hearing on the Housing Regulatory Relief Project Proposed Draft. 31 people testified in person and over 200 people submitted written testimony through the Map App.
- 12. On November 7,2023, the Planning Commission held a work session to discuss the proposal and provide suggestions for potential amendments.
- 13. On November 14, 2023, the Planning Commission held a work session on the project. They voted on a set of 3 amendments and voted to forward a recommendation on the amended package.
- 14. On December 20, 2023, the Housing Regulatory Relief Project Recommended Draft was released for public review.
- 15. On December 20, 2023, notice of the January 10, 2024 City Council hearing on the Housing Regulatory Relief Project Recommended Draft was mailed to those who presented oral and written testimony at the Planning Commission public hearing.
- 16. On January 10, 2024, the City Council held a hearing on the Housing Regulatory Relief Project and invited public testimony.
- 17. 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.

#### NOW, THEREFORE, the Council directs:

- A. Adopt Exhibit A, Findings of Fact Report Amended, as additional findings.
- B. Adopt the commentary in Exhibit B, Housing Regulatory Relief Project Recommended Draft as Amended, dated January 2024, as legislative intent and further findings.
- C. Amend Title 33, Planning and Zoning, of the Municipal Code of the City of Portland, as shown in Exhibit B, Housing Regulatory Relief Project Recommended Draft, dated December 2023.
- D. Notwithstanding 33.700.080.A.2, nor 33.700.090.A, development with a residential use that has been or will be approved by a land use

review that was deemed complete prior to March 1, 2024 and has not expired, and building or development permits with a residential use submitted prior to March 1, 2024 that have not expired and have not received final inspection, may be subject to the following zoning code provisions as shown in Exhibit B:

```
1. 33.258.070.D.2.;
2. 33.266.200.B, Table 266-6, 33.266.210.D., and 33.266.310.C.1.;
3. 33.415.200;
4. 33.510.225.C.1., and 33.510.255.I.;
5. 33.562.270.C.;
```

E. Within the city, notwithstanding 33.730.130, final decisions for land use reviews that became effective between March 8, 2017 and March 1, 2020 expire on March 1, 2025, if a City permit has not been issued for approved development or the approved activity has not commenced.

Section 2. 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 if 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.

## **Documents and Exhibits**

6. 33.595.130.B.

Exhibit A: Findings of Fact Report-As Amended	1.06 MB
(https://www.portland.gov/sites/default/files/council-	
documents/2024/exhibita hrr_leg_findings_amended.pdf)	
Exhibit B: Housing Regulatory Relief Recommended Draft-As	1.69 MB

Amended (https://www.portland.gov/sites/default/files/council-documents/2024/exhibit-

b regrefsurveyproject recommended draft amended 1-24.pdf)

Proposed Amendments 1-3 - Commissioner Rubio
(https://www.portland.gov/sites/default/files/council-documents/2024/hrr\_potentialamendments\_010324.pdf)

Proposed Amendments 4-6 - Commissioner Gonazalez

(https://www.portland.gov/sites/default/files/council-documents/2024/hrr\_2nd\_set\_potentialamendments\_010924.pdf)

Proposed Amendment 7 - Commissioner Gonazalez
(https://www.portland.gov/sites/default/files/council-documents/2024/hrr\_directiveamendment\_011224.pdf)

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 as amended by Council January 31, 2024

Auditor of the City of Portland Simone Rede

## **Impact Statement**

#### Purpose of Proposed Legislation and Background Information

The Housing Regulatory Relief Project provides regulatory relief from some development standards and processes over the next 5 years for building projects, especially when those projects include housing. This relief is accomplished by temporarily suspending or reducing development and process standards and including additional permanent clarification to these standards. Many of the amendments were based on the development issues identified through the Housing Production Survey conducted by the Bureau of Development Services on behalf of Commissioner Rubio's office. The intent is to boost housing production as Portland recovers from the COVID pandemic and addresses the housing crisis identified statewide through the Governor's Executive Order.

#### **Financial and Budgetary Impacts**

This project does not amend the budget, change staffing levels, reclassify staff, or authorize new spending or other financial obligations (IGAs, contracts, etc.) and therefore there are no significant long term financial or budgetary impacts to the City.

In the short term, there could be some impacts on city revenue and staff work. The temporary suspensions or reductions in the development and process standards may reduce the amount of time spent by staff in reviewing certain permits and land use reviews, as some development standards will not apply during review of the permit or land use review. It also temporarily simplifies the regulatory layers that may apply in the review of the development. This can allow for the more efficient review of a permit. However, the temporary process reduction for Design Reviews that involve housing development will mean that these projects will undergo a

lower level of land use review, generating a lower amount of land use fees that cover the review process for the Bureau of Development Services (BDS) and other bureaus. The lower fees and process could result in a lower level of cost recovery. Analysis of the fee recovery by these bureaus may result in the consideration of a fee increase for these reviews with the next fiscal year.

## **Community Impacts and Community Involvement**

The intent of the project is to suspend or reduce some of the regulatory and process steps that apply to projects involving housing. The source of many of the changes came from the results of the Housing Production Survey administered by the Bureau of Development Services on request of Commissioner Rubio's office. Some of the regulations such as the ground floor provisions enhance the relationship between the ground floor design of a building and the adjoining public realm. Other regulations such as the neighborhood contact provisions provide opportunities for community involvement with the developer of a project before they begin their land use or building permit application process. The temporary reduction in the Design Review process can result in a reduced area of noticing requirement and potential removal of a land use hearing for the projects that include housing, although the reduced process still includes a notification and comment process. The changes within the package can impact development in many areas of the city, although the temporary reductions may most impact development within the Central City, some plan districts and the Centers Main Street overlay zone. The reductions and suspensions would sunset on January 1, 2029, so only apply to development that submits for a permit or land use review during this time.

Community engagement activities for this project are summarized in the Recommended Draft. The project was under a fairly short time frame from analyzing the survey results to developing a code proposal. Staff provided briefings to business and neighborhood groups as well as with BDS' Development Review Advisory Committee, in conjunction with the release of the Proposed Draft. Email communication was also provided to stakeholder interests for some changes. Briefings were held with the Design Commission, the Landmarks Commission, and the Planning Commission in September. The Planning Commission hearing on October 24 was a hybrid meeting that included over 30 community members testifying at the hearing. Approximately 215 pieces of testimony were received through the Map App.

Additional outreach has occurred after the Planning Commission hearing, with staff attending meetings of several neighborhood or business groups in North, Northwest, Southwest and Southeast. Notice of the City Council hearing will be submitted to all those who testified at the Planning Commission. Email updates about the City Council hearing will be sent to a list of approximately 240 people who have requested information on the project.

#### 100% Renewable Goal

The action has minimal temporary impact by potentially allowing projects to propose a set of solar panels instead of an ecoroofs for the next five years. Ecoroofs can help reduce heating/cooling requirements of buildings while solar panels can help generate renewable electricity.

## **Budget Office Financial Impact Analysis**

No financial impact.

## Agenda Items

34 Time Certain in <u>January 10-11, 2024 Council Agenda</u> (https://www.portland.gov/council/agenda/2024/1/10)

#### Continued

Rubio Amendment 1 - Motion to align regulations with recent state law changes, remove out-of-date language, and change some regulations to align with Title 30 inclusionary housing processes: Moved by Rubio and seconded by Mapps. Vote not called.

Rubio Amendment 2 - Motion to clarify application of the ground floor window requirement in the Central City plan district: Moved by Rubio and seconded by Mapps. Vote not called.

Rubio Amendment 3 - Motion to further reduce Design Review procedures temporarily for affordable housing projects: Moved by Rubio and seconded by Mapps. Vote not called.

Gonzalez Amendment 4 - Motion to reinstate staff's original proposal to temporarily suspend bird-safe glazing requirement in the River overlay zone and Central City plan district when a proposal includes a residential use: Moved by Gonzalez and seconded by Ryan. Vote not called.

Gonzalez Amendment 5 - Motion to Replace Planning Commission's ecoroof recommendation with staff's original proposal to temporarily suspend the ecoroof requirement in the Central City plan district when a proposal includes a residential use: Moved by Gonzalez and seconded by Ryan. Vote not called.

Gonzalez Amendment 6 - Motion to temporarily suspend the 35 day deadline to post the neighborhood contact sign and send notification to recognized organizations when a proposal includes a residential use: Moved by Gonzalez and seconded by Ryan. Vote not called.

Gonzalez Amendment 7 - Motion to amend directive D to add 33.475.235.B, 333.510.223.B, and 33.510.243.B.: Moved by Gonzalez and seconded by

Ryan. Vote not called.

Continued to January 17, 2023 at 2:00 p.m. Time Certain

## 60 Time Certain in <u>January 17, 2024 Council Agenda</u> (https://www.portland.gov/council/agenda/2024/1/17)

Continued As Amended

Continued as amended to January 24, 2024 at 3:00 p.m. Time Certain

Motion to revise Rubio 1 amendment to correct an error to use the same number, 20 percent, for both scenarios to ensure alignment with the Inclusionary Housing Calibration workgroup: Moved by Rubio and seconded by Mapps. (Y-5)

Rubio Amendment 1 - Motion to align regulations with recent state law changes, remove out-of-date language, and change some regulations to align with Title 30 inclusionary housing processes: Moved by Rubio and seconded by Mapps. (Y-5)

Rubio Amendment 2 - Motion to clarify application of the ground floor window requirement in the Central City plan district: Moved by Rubio and seconded by Mapps. (Y-5)

Rubio Amendment 3 - Motion to further reduce Design Review procedures temporarily for affordable housing projects: Moved by Rubio and seconded by Mapps. (Y-5)

Gonzalez Amendment 4 - Motion to reinstate staff's original proposal to temporarily suspend bird-safe glazing requirement in the River overlay zone and Central City plan district when a proposal includes a residential use: Moved by Gonzalez and seconded by Ryan. (Y-Ryan, Gonzalez; N-Rubio, Mapps, Wheeler). Motion failed to pass.

Gonzalez Amendment 5 - Motion to Replace Planning Commission's ecoroof recommendation with staff's original proposal to temporarily suspend the ecoroof requirement in the Central City plan district when a proposal includes a residential use: Moved by Gonzalez and seconded by Ryan. (Y-Ryan, Gonzalez; N-Rubio, Mapps, Wheeler). Motion failed to pass.

Gonzalez Amendment 6 - Motion to temporarily suspend the 35 day deadline to post the neighborhood contact sign and send notification to recognized organizations when a proposal includes a residential use: Moved by Gonzalez and seconded by Ryan. (Y-Gonzalez; N-Rubio, Ryan, Mapps, Wheeler). Motion failed to pass.

Gonzalez Amendment 7 - Motion to amend directive D to add 33.475.235.B,

33.510.223.B, and 33.510.243.B.: Moved by Gonzalez and seconded by Ryan. Motion withdrawn.

# 83 Time Certain in <u>January 24, 2024 Council Agenda</u> (<a href="https://www.portland.gov/council/agenda/2024/1/24">https://www.portland.gov/council/agenda/2024/1/24</a>)

Passed to second reading

Motion to amend the Housing Regulatory Relief Finding and Recommended Draft: Moved by Mapps and seconded by Gonzalez. (Y-5)
Passed to second reading as amended January 31, 2024 at 9:45 a.m. time certain

# 90 Time Certain in <u>January 31, 2024 Council Agenda</u> (https://www.portland.gov/council/agenda/2024/1/31)

Passed As Amended

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Mayor Ted Wheeler Yea