



# HOUSING REGULATORY RELIEF PROJECT

City Council Hearing  
January 10, 2024

**Sandra Wood**  
Principal Planner

**Phil Nameny**  
City Planner



THE BUREAU OF  
**PLANNING &  
SUSTAINABILITY**

# Overview of Proposal

- Intent is to reduce the cost of building housing in Portland and increase housing production.
- Provides regulatory relief for housing projects from 15 zoning code requirements
- Includes some temporary changes (for 5 years) and permanent changes
- Generally, applies to new permits and land use reviews. Ordinance directive also allows existing permits to use some temporary changes.



# Background

## Input from many sources

- Housing Production Survey to development community (early 2023)
- Housing Cost Study by consultant BAE (July 2023)

In the meantime, this work is taking place:

- Governor's Housing Production Advisory Committee (HPAC)
- City's Housing Needs Analysis and Housing Production Strategy

## Project Timeline



# Project Outreach

## Presentations

- PBOT presentation to Bicycle Advisory Committee
- Development Review Advisory Committee (DRAC)
- Development Groups (Oregon Smart Growth, Home Builders Association)
- Design & Historic Landmarks Commission
- Neighborhood and business groups
- Planning Commission

## Notification

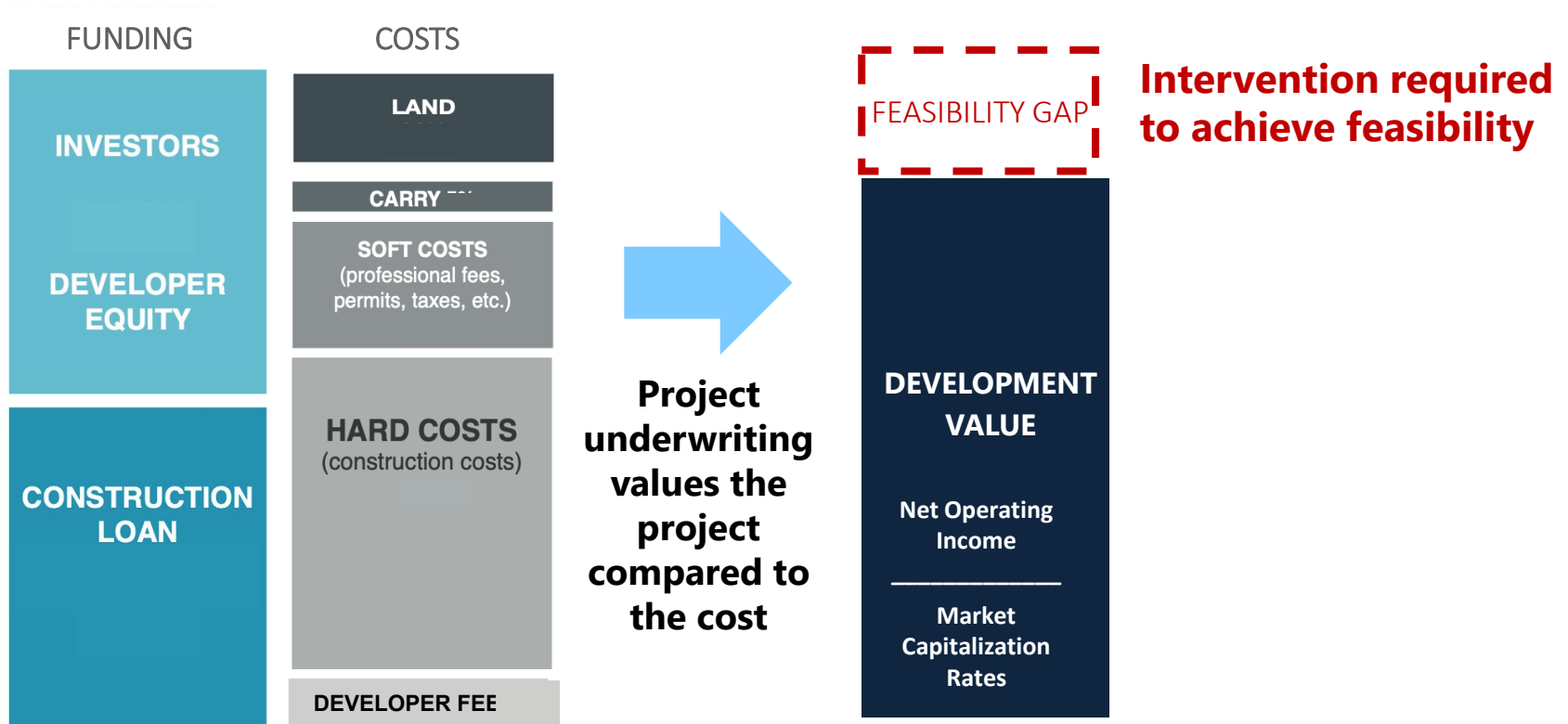
- Legislative noticing and emails for Planning Commission hearing and City Council hearing
- BPS E-news and BDS Plans Examiner
- Emails to interested parties
- Email to all recipients of the Housing Production Survey



## Background

# Market Rate Housing Development

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



## Background

# What it Will Take For Development to be Financially Feasible

*As shared in July 2023 Council Work Session*

## 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



# Estimated Cost Impacts

## 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

- Estimated total development cost \$19.4 million



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%



# Issues Addressed in Proposal

## Development and Design Standards

- **Bicycle parking**
- **Ground floor active uses**
- **Ground floor height/window**
- Nonconforming upgrades
- Loading standards
- Façade articulation
- Security gates & lighting

## Central City Focus

- **Ecoroofs**
- Major remodel projects
- Central City master plans

## Process

- **Design review**
- **Neighborhood contact**
- Land use expiration dates
- On-street parking impacts
- Land divisions for attached housing

# Proposed Changes to Bicycle Parking

- Temporarily reduce long-term bike parking for residential uses
  - From 1.5 to 1.0/unit close-in
  - From 1.1 to 0.7/unit further out
- Temporarily remove cargo bike requirement
- Permanently remove in-unit standards for alcove & entrance proximity
- Cost of providing bicycle parking in a dedicated room in a 64-unit / \$20 million prototypical project: \$8,000 per unit.



# Proposed Changes to Ground Floor Active Use, Height and Windows

## Current code

- Require certain active uses, higher ceilings, and extra windows on ground floor in some areas
- Cost of providing ground floor active use space in a 64-unit / \$20 million prototypical project: \$10,000 per unit.

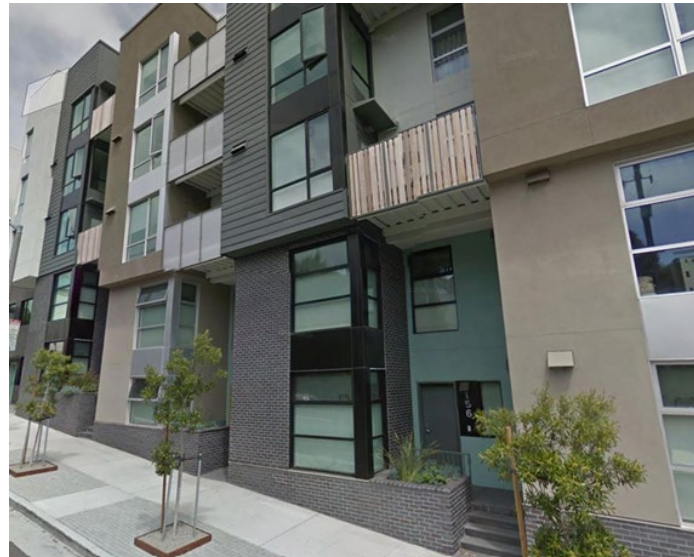
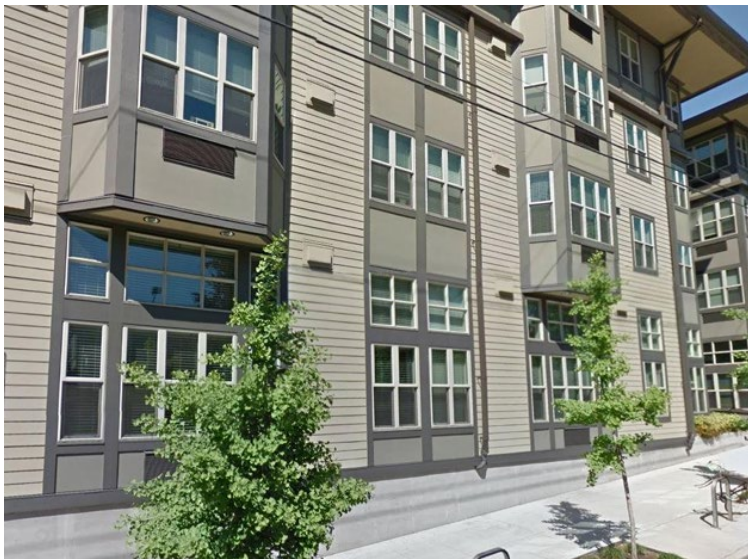


## Proposed code – For buildings with residential uses, temporarily suspend:

- Use limitations, including prohibition on ground floor dwelling units in Central City
- Ground floor height requirements outside Central City (rules would still apply in Central City)
- Larger ground floor window requirements

# Ground floor residential examples

Flexible standards provide options based on market and site conditions.



# Proposed Changes to Design Review

- Cost of a 64-unit / \$20 million prototypical project to go through design review: \$2,500 per unit.



## Proposed code for projects with residential uses:

- Temporarily allow projects that are subject to Type III Design Review (hearing before the Design Commission) to instead go through a Design Advice Request (DAR) with the Design Commission then go through a Type II staff process.
- Temporarily allow projects subject to Type II Design Review to instead go through a Type Ix process.

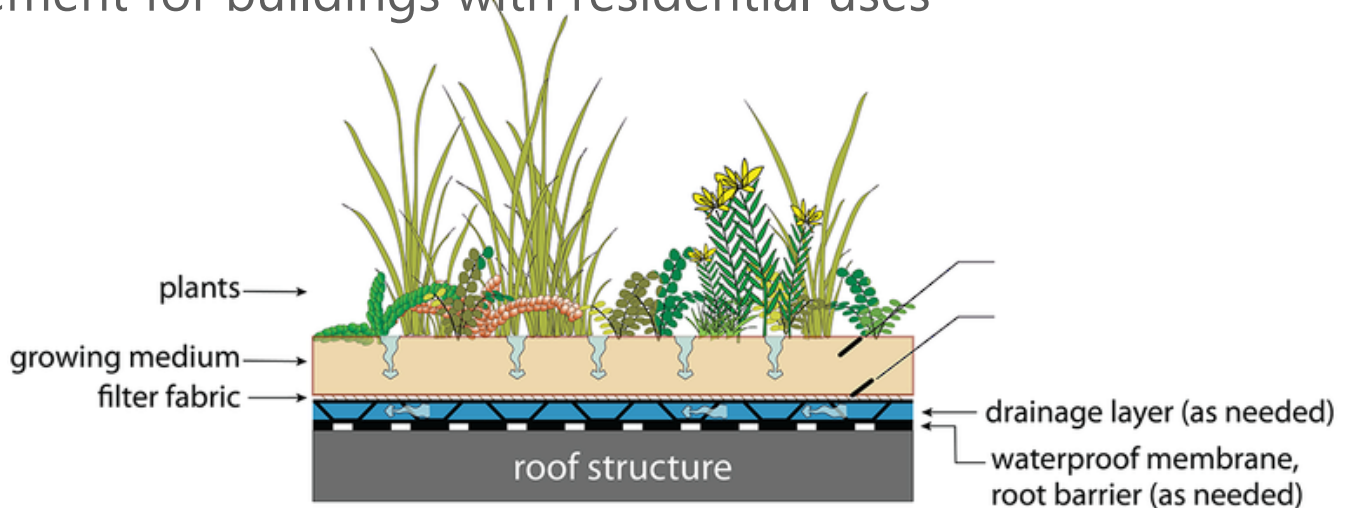
# Proposed Changes to Ecoroofs in Central City

## Current code

- Require ecoroofs on new buildings over 20,000 sq. ft.

## Proposed code

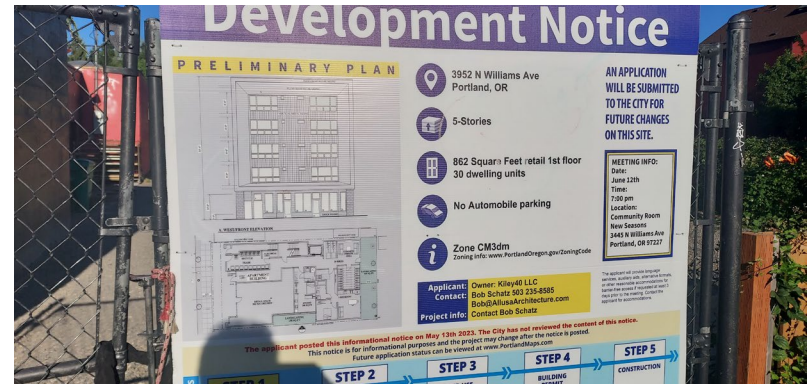
- Allow solar panels as a temporary alternative to the ecoroof requirement for buildings with residential uses



# Proposed Changes to Neighborhood Contact

## Current code

- Applicants of larger development proposals must contact neighbors before applying for a permit or land use review.
- Land use reviews require separate notice be sent by the City.



## Proposed code

- Temporarily suspend the requirement that projects with residential uses hold a meeting as part of the neighborhood contact requirement.
- Continue to require posting a sign for these projects.
- Permanently eliminate one of the three neighborhood contact options.

# Proposed Ordinance Directives

## Allow projects “in pipeline” to use new code provisions for:

- Nonconforming upgrades waiver
- Bicycle parking reduction and standards
- Loading space reduction
- Ground floor use requirement waiver (Main Street overlay zone, Central City, Northwest, and West Portland Plan District)
- Central City Master Plan amendments

## Extend past Land Use approval expirations dates (extend COVID provision)

- Land Use Approvals granted between March 8, 2017 and March 1, 2020 will not expire until March 1, 2025
- Permits for these land use approvals would need to be issued by March 1, 2025





# Written Testimony: Received so far

## Testimony received via Map App

100+ pieces of written testimony between 12/20/23 and 1/10/24

## Feedback received

- Support for Planning Commission's decision on ecoroofs and bird-safe glazing (i.e. no/limited suspension)
- Concern over reduced oversight of ground level uses and design
- Concern over reductions to preliminary neighborhood input
- Concern over bike parking changes
- General support for reducing the regulatory barriers

# City Council Potential Amendments

# Amendment Memo – January 3, 2024

## Requested Amendments from Commissioner Rubio

*(Announced on January 4 and shared publicly in BPS memo on January 5)*

1. Inclusionary Housing
  - Technical changes to align with recent revisions to state law, remove expired regulations, and clarify connections to Title 30
  - Changes to options for providing off-site affordable units, related to PHB's Calibration work
2. Technical amendment – Ground floor window standard in Central City
3. Design Review option – Allow additional flexibility for affordable housing projects subject to Design Review
  - Type III could choose Type II without DAR
  - Type III could alternatively choose Type IX without DAR

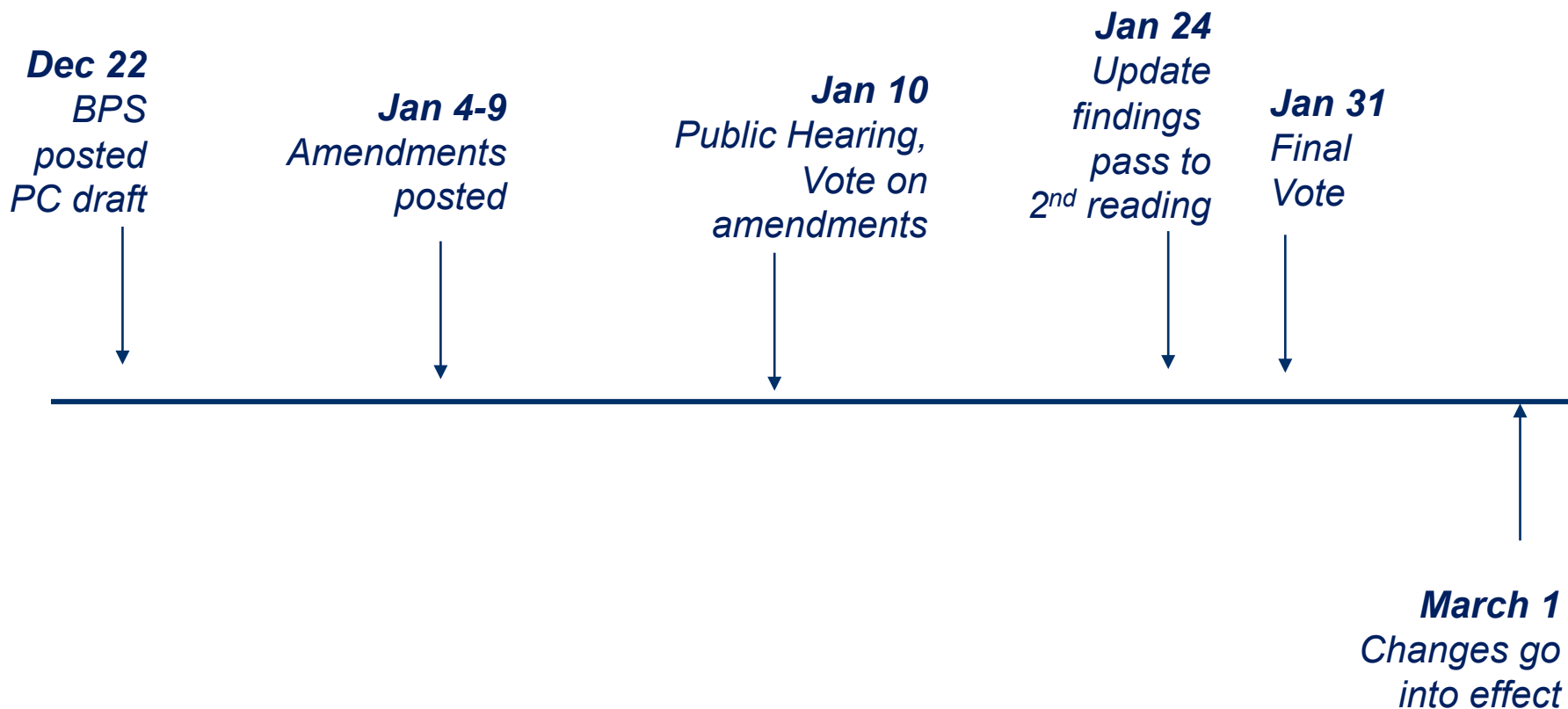


# Amendment Memo – January 9, 2024

## Requested Amendments from Commissioner Gonzalez *(Shared publicly in BPS memo and Clerk's Tuesday memo on January 9)*

4. Bird-safe glazing – Temporarily suspend bird-safe glazing requirement for development with housing.
5. Ecoroofs – Temporarily suspend ecoroof requirement for development with housing.
6. Neighborhood contact – Temporarily remove 35-day advance notice requirement for posting and communication.

# Council Schedule







# HOUSING REGULATORY RELIEF PROJECT

City Council Amendments Discussion  
January 17, 2024

**Phil Nameny**  
City Planner

**Sandra Wood**  
Principal Planner



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# Written Testimony: Received

## Testimony received via Map App

400+ pieces of written testimony between 12/20/23 and 1/12/24

## Majority Feedback received

- Support for Planning Commission's recommendation on ecoroofs and bird-safe glazing (i.e. no or limited suspension of rules)

## Other Feedback received

- General support for reducing the regulatory barriers that can impact cost
- Concern over the reduced oversight for ground level uses and design
- Concern over reductions to preliminary neighborhood input
- Comments about bike parking changes
- Concern over vehicle parking impacts



# City Council Amendments

# Amendment Memo – January 3, 2024

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4. Bird-safe glazing – Temporarily suspend bird-safe glazing requirement for development with housing.
5. Ecoroofs – Temporarily suspend ecoroof requirement for development with housing.
6. Neighborhood contact – Temporarily remove 35-day advance notice requirement for posting and communication.



# Amendment Memo – January 12, 2024

## Requested Amendment from Commissioner Gonzalez *(Shared at Hearing and published on January 12)*

7. Revise Directive D in the ordinance to allow existing building permits or reviews to suspend the bird-safe glazing and ecoroof standard.



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# Amendment Memo – January 3, 2024

## Friendly Amendment to Item #1

### Change to item 33.245.045.B.2 (% to match new units)

- 2. Existing dwelling units. When the affordable dwelling units will be provided by dedicating existing dwelling units as affordable, **20** percent of the total number of dwelling units in the new building or the alteration must be affordable to those earning no more than 60 percent of the area median family income ~~one of the following rates apply~~. The number of affordable dwelling units required is calculated based on the development that triggers the regulations of this chapter:
  - a. ~~15 percent of the total number of dwelling units in the new building or the alteration must be affordable to those earning no more than 30 percent of the area median family income; or~~
  - b. **25** percent of the total number of dwelling units in the new building or the alteration must be affordable to those earning no more than 60 percent of the area median family income.



# Directive D of Ordinance

## Language to potentially amend

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. 33.475.235.B.;
5. 33.510.223.B., 33.510.225.C.1., 33.510.243.B., and 33.510.255.I.;
6. 33.562.270.C.;
7. 33.595.130.B.





# HOUSING REGULATORY RELIEF PROJECT

City Council Amended Exhibits  
January 24, 2024

**Phil Nameny**  
City Planner



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## Updated Documents

- On January 17, Council voted to accept three amendments to the Planning Commission recommendation.
- As a result of the vote, the following have been updated to reflect the approved amendments:
  - Ordinance to refer to amended exhibits
  - Exhibit A: Findings of Fact – As Amended
  - Exhibit B: Recommended Draft – As Amended
- These have been submitted for Council approval.





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