



# HOUSING ADJUSTMENTS COMPLIANCE PROJECT

SB 1537 Zoning Code Alignment  
Design Commission Presentation 10/3/24

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THE BUREAU OF  
**PLANNING &  
SUSTAINABILITY**

# Senate Bill 1537 History

- Update of HB 3414 (didn't pass) from 2022-23 session
- Passed by legislature in 2024 short season
- Approved by Governor Spring 2024
- New housing office to be established 7/1/25.
- Code adjustment requirement implemented 1/1/25, expires 1/2/2032

# SB 1537 Components

- Bill includes many directives to oversee housing development and regulation including establishing a Housing Accountability & Production Office (HAPO)
- **Bill directs local jurisdictions to grant adjustments to a range of design and development standards for projects that include housing**
- **Bill allows applicants to determine start time of an application (if rules change)**

# SB 1537 Adjustment Section

- The bill requires jurisdictions to grant up to 10 adjustments to a list of development and design standards
- Standards include lot sizes, density, height limits, ground floor requirements parking requirements, façade design and building orientation, etc.
- Jurisdictions can apply bill directly or incorporate bill components into their code
- An option is to request an exemption to the section by proving standards are already adjustable with approval of adjustments > 90%



## Portland's Approach

- Amend code where current regulations prohibit adjustments to standards
- Apply maximum variances stated in bill temporarily into our zoning code
- Use Portland's existing adjustment process and approval criteria
- Request exemption to SB 1537 adjustment rules (due by 1/1/25)
- Monitor local process for continued compliance

# Staff Proposed Amendments

Focus on standards with current adjustment prohibition

- Allow minimum lot size/dimension adjustments up to 10% for new and existing lots (focused on residential zones)
- Allow adjustments to **maximum and bonus height** up to 20% of base height amount (mostly applicable in plan districts such as Central City, Gateway and Hollywood)
- Allow adjustments for certain standards applicable to middle housing options (note this overlaps with height and lot size above)



# Central City Height Adjustment Amendment - PC

Based on received testimony, allow height adjustment amounts above 20% of the base zone within the Central City plan district.

- Further removes housing barriers in Central City to encourage recovery
- Design review could consider merits of adjustment or modification
- Keep as temporary measure (1/2/2032)
- Keep 20% limit in other plan districts/code



# Adjustment or Modification Tools

Likely done in conjunction with Design Review  
Approval criteria include:

- Modification – Consistent with Purpose, support design guidelines, consider impact mitigation
- Adjustment – Equally or better meets Purpose, preserve scenic/historic resources, consider impact mitigation
- Central City design guidelines consider new development on public spaces (B5) and Viewsheds (C9)





# Design Review process for Housing

Type of Project	New Building/Addition over 45-ft height or 25,000 s.f. size	New Building/Addition under 45-ft height and under 25,000 s.f. size
Building not under special affordability restrictions	Type III, hearing, pre-app required	Type II, staff decision, hearing on appeal
Building, 50% units at 60% MFI	Type II w/DAR option, or Type III as above	Type II, as above
(Temp option until 1/1/29): Building w/residential use	Type II w/DAR option, or Type III as above	Type Ix option, no appeal, or Type II as above
(Temp option until 1/1/29): Building w/residential use, 50% units at 60% MFI	Type 1x or II option no DAR, or Type III as above	Type 1x option, no appeal, or Type II as above

# Project Next Steps

## City Council Hearing

- Scheduled for 10/30/24 @ 2pm (check later for time certain)
- Testimony database will be open by 10/14/24.

