



Bureau of Planning and Sustainability

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MEMO

DATE: July 31, 2019
TO: Historic Landmarks Commission
FROM: Bill Cunningham, BPS
CC: Tom Armstrong, BPS; Brandon Spencer-Hartle, BPS; Hillary Adam, BDS
SUBJECT: Update on the Better Housing by Design Project

Commissioners:

During your meeting on August 12, 2019, staff from the Bureau of Planning and Sustainability (BPS) will provide an update on the Better Housing by Design Project, which is amending regulations for Portland's multi-dwelling zones. This briefing will focus on new provisions related to historic resources.

The Planning and Sustainability Commission's Better Housing by Design Recommended Draft was published this week and is now available online (www.portlandoregon.gov/bps/betterhousing). The Recommended Draft includes several provisions related to historic resources, some of which were added in response to issues that the Historic Landmarks Commission raised in testimony or were discussed during meetings of the Joint PSC-Landmarks Commission Work Group in October and December of 2018.

During their work sessions, PSC commissioners deliberated on how to balance historic preservation policies with providing incentives for affordable housing in historic districts, especially in high density multi-dwelling zones where contrasts between existing and allowed building scale are greatest. The Recommended Draft calibrates development allowances to the scale of historic districts, while providing additional development bonuses for projects that include affordable housing. These provisions:

1. **Allow development bonuses and development transfers in historic districts in both the multi-dwelling and mixed use zones** (currently, development bonuses for affordable housing are not provided in mixed use zones in historic districts).
2. **Reduce the base FAR (regulating building scale) in the highest density multi-dwelling zone (RM4) when located in historic districts**, from a current RH base FAR of 4 to 1 to instead provide a base FAR of 3 to 1. This is balanced by allowances for buildings to achieve a bonus FAR of 4.5 to 1 when they include affordable housing units.



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3. **Change the zoning map in the Alphabet and King's Hill historic districts so that the allowed building scale relates to the scale of larger historic buildings.** In some locations the recommended zoning is smaller in scale than existing zoning, while in other locations the proposed zoning is larger in scale.
4. **Allow for additional FAR to be transferred to other projects from sites with historic structures in conjunction with seismic upgrades,** similar to the transfer that is allowed in the Central City.

More information on these provisions is provided on the following pages. Staff will provide more explanation and will be available to answer questions during the August 12th briefing.

The City Council public hearing on the Recommended Draft is tentatively scheduled for late September 2019. Staff will update the Historic Landmarks Commission once the public hearing date and testimony period is finalized.

I look forward to meeting with you on August 12th. Please contact me if you have questions.

1. Provide development bonuses and development transfers in historic districts in both the multi-dwelling and mixed use zones.

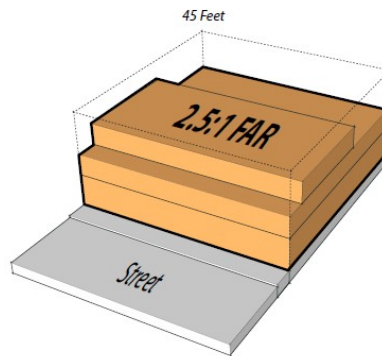
The Recommended draft allows all FAR bonus and transfer allowances to be used in properties in historic and conservation districts in both the multi-dwelling and commercial/mixed use zones. In the multi-dwelling zones, FAR bonuses will be provided for inclusionary housing, deeper housing affordability, moderate income family housing, and physically accessible units. However, in the higher-density multi-dwelling zones (RM3/RM4, current RH), the Recommended Draft amends base and bonus FARs in historic districts to relate to the scale of larger historic buildings (see items 2 and 3, below).

The predominant commercial/mixed use zone in historic districts is the CM2 zone (former CS zone). Since May 2018, development in this zone has been limited to an FAR of 2.5 to 1, with no opportunities for development bonuses (although new buildings with 20 or more units are now subject to mandatory inclusionary housing and must include affordable housing units, they receive no inclusionary housing bonus in historic or conservation districts). Prior to 2018, buildings in the CS zone in historic districts could be built to a full four-story scale. The Recommended Draft code amendments allow FAR bonus and transfers to be used in the commercial/mixed use zones in historic and conservation districts. In the CM2 zone, the primary zoning along most historic main streets, this code amendment will provide a bonus FAR of up to 4:1 within a maximum building height of 45 feet, allowing for four-story buildings similar in scale to some historic building along streets such as NW 21st Avenue in the Alphabet Historic District.

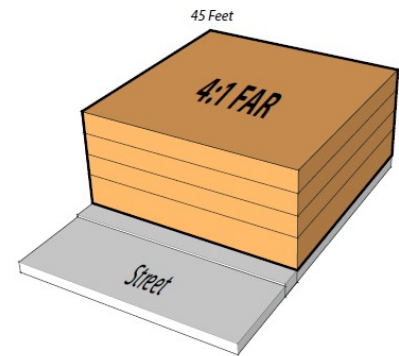


*Historic four-story building along
NW 21st Avenue in the CM2 zone*

CM2 Zone



Base FAR: 2.5 to 1
(current maximum)







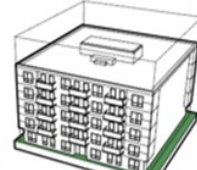
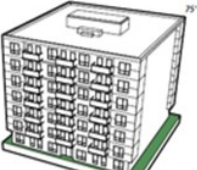
Bonus FAR: 4 to 1
(proposed)

2. In the RM4 zone in historic districts, provide base and bonus FARs of 3:1 and 4.5:1 (instead of the currently proposed RM4 FARs of 4:1 and 6:1, which were based on current RH zone allowances).

These base and bonus FARs will allow new development similar to the scale of larger historic building in the historic districts proposed for the RM4 zone (primarily the Alphabet and King's Hill historic districts). The bonus FAR of 4.5: 1, achievable through the inclusionary housing bonus that is mandatory for buildings with 20 or more units, will allow development that is a little larger than the base 4:1 FAR that currently applies in the larger-scale RH zoning. The only projects that could achieve greater scale than the standard bonus FAR are projects using the deeper housing affordability bonus (qualifying projects would need to have at least half of units affordable to household earning no more than 60 percent of median family income).

Right. Range of proposed base and bonus FARs in the RM3 and RM4 zones, highlighting the differing RM4 FAR allowances in historic districts.

Below. In the RM4 zone in historic districts, base and bonus FARs of 3:1 and 4.5:1 will match the range of larger historic multi-dwelling buildings in historic districts, such as these examples in the Alphabet and King's Hill historic districts.

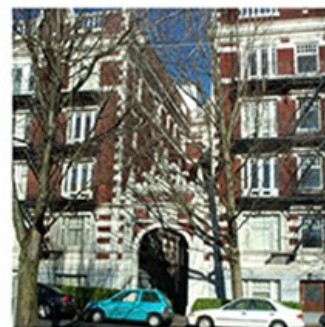
	Base FAR	Bonus FAR	Deeper Affordability Bonus
RM3	 2 to 1	 3 to 1	4 to 1
RM4 (historic districts)	 3 to 1	 4.5 to 1	6 to 1
RM4 (outside historic districts)	 4 to 1	 6 to 1	7 to 1



3 to 1



3.7 to 1



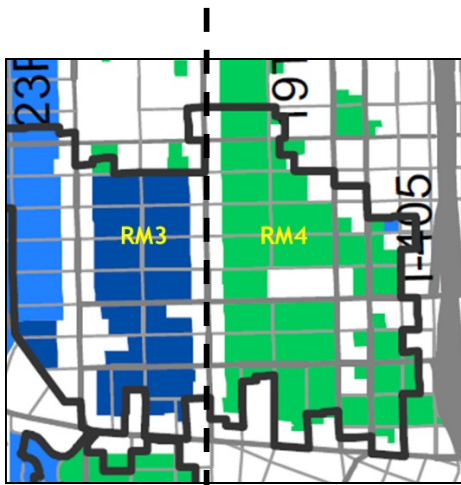
4.3 to 1

3 to 1  4.5 to 1

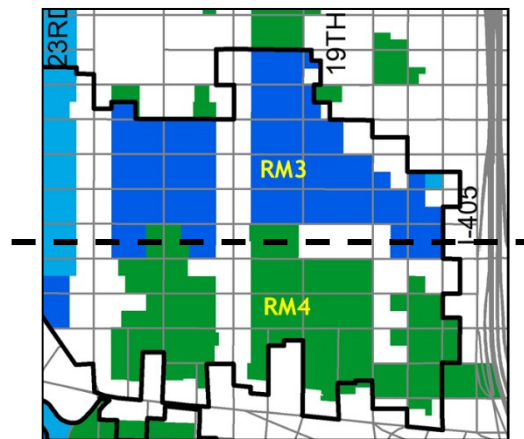
3A. In the Alhabet Historic District, apply the larger-scale RM4 zone to current RH areas south of NW Glisan/Hoyt, and apply the smaller-scale RM3 zone in areas north of this.

This will be a change from the current zoning pattern, where there is an east-west division between the larger- and smaller-scale RH zones. This mapping change is more responsive to the scale of historic building in the district, where larger buildings are concentrated between Burnside and Glisan/Hoyt both east and west of NW 21st Avenue, while buildings to the north are generally smaller in scale. There are two components to this change:

- (1) **Apply RM4 zoning to the area between NW 21st and NW 23rd, from Burnside to Glisan/Hoyt**, instead of the proposed RM3 zoning. This will increase the base FAR in this area from the current 2:1 FAR to a base FAR of 3:1 and a bonus FAR of 4.5 to 1, which will allow for a range of development similar to the scale of larger historic buildings in this area.
- (2) **Apply RM3 zoning to the area east of NW 21st north of Glisan/Hoyt**, instead of the proposed RM4 zoning. This will decrease the base FAR in this area to 2:1 (bonus FAR of 3:1).



*Original Proposal
(based on existing zoning)*

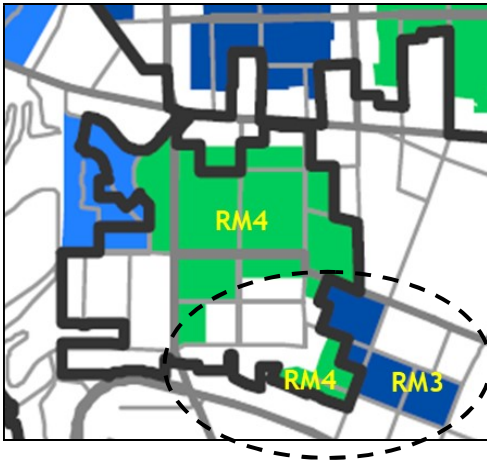


Recommended Changes

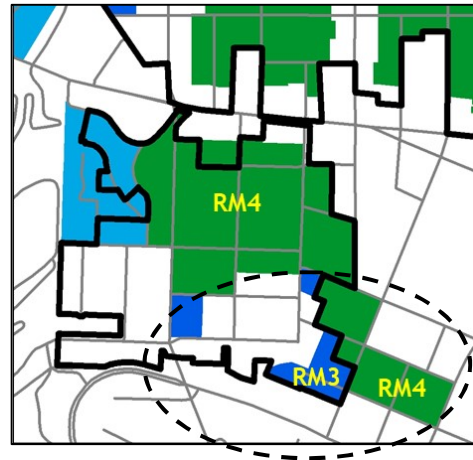
3B. In the King's Hill Historic District, apply the smaller scale RM3 zoning to properties with small historic structures at the edges of the historic district, and apply the larger-scale RM4 zone to currently RH zoned areas outside the historic district to the east.

This is a change from the current zoning pattern, where all of the current RH zoning in the historic district has a base FAR of 4:1 and were proposed for RM4 zoning. There are two components to this change:

- (1) **Apply the smaller scale RM3 zoning to properties with small historic structures at the southern edges of the historic district**, instead of the originally proposed RM4 zoning. This area has mostly smaller lots with small historic buildings (2-3 stories) and is adjacent to single-dwelling R5 zoning. This will decrease the base FAR in this area to 2:1 (bonus FAR of 3:1) and remove the current transit station area allowance for 100-foot building height.
- (2) **Apply the larger-scale RM4 zoning to a three-block area outside the historic district to the east**, instead of the proposed RM3 zoning. This area is in the Central City Plan District, which provides a base FAR of 4:1. RM4 zoning will more closely correspond to this and other development standards that apply in this area. The primary change is that the block west of SW 20th between Salmon and Main streets will become eligible for the transit station area allowance for 100-foot building height (this block includes large existing buildings over 80-feet tall which exceed the current height limit of 65 feet). The other two blocks in this area are already provided with a Central City Plan District height allowance of 100 feet.



*Original Proposal
(based on existing zoning)*



Recommended Changes

4. Allow an additional amount of FAR to be transferred from sites with historic resources, in conjunction with seismic upgrades to these historic structures.

This transferable FAR linked to seismic upgrades will be in addition to existing allowances for unutilized FAR to be transferred from historic properties to other locations. In the multi-dwelling zones and mixed use zones, the proposal will allow an additional amount of FAR, equivalent to 50 percent of the base FAR, to be transferred to other sites, but use of this additional increment of transferable FAR will only be available in conjunction with seismic upgrades.

For example, a historic building in the RM3 zone even if fully built to the 2:1 base FAR allowed in this zone, could transfer an amount of floor area equal to half of this base FAR (1:1 FAR, or 10,000 square feet for a site 10,000 square feet in area). This will allow FAR transfers to serve as an incentive for historic preservation, even in situations in which the scale of historic buildings is equal to or exceeds the base FARs of the multi-dwelling zones.

