

# Residential Infill Project

## Potential Amendment Concepts

February 10, 2020

The following list of potential amendments (#'s 5-17) is for City Council's discussion at the Residential Infill Project work session on February 12, 2020. Amendments #1-4 were discussed previously on January 29, 2020. This is not intended to be a complete listing of all the potential amendments that Council may consider as part of their deliberations. Further amendments could be introduced later by Council members for discussion. The actual code language and map amendments will be introduced at a future Council meeting.

### 1. Technical Amendments - discussed on Jan. 29

*Several amendments are included as necessary technical fixes reflecting changes that occurred after the Planning and Sustainability Commission (PSC) voted on the Residential Infill Project in March 2019.*

- A) **BHD project sequencing.** The PSC voted on the Better Housing by Design Project after they voted on the Residential Infill Project. City Council is taking these code amendment packages in reverse order. This means that some zoning code language that was previously reflected in the Residential Infill Project is now reflected in Better Housing by Design instead. This also means that the zoning code language for the Residential Infill Project code amendments must be updated to reflect changes now adopted with the Better Housing by Design project.
- B) **Visitability Standards.** The PSC adopted a visitability standard for multi-dwelling zones that eases implementation by making it consistent with International Code Council guidelines. The visitability standards for single-dwelling and multi-dwelling zones were developed together and are intended to be the same. However, the PSC change to the multi-dwelling zones code makes the two standards inconsistent. These amendments make the standard in the single-dwelling zones consistent with the standard in the multi-dwelling zones.
- C) **Completed map changes.** The 82<sup>nd</sup> Avenue Study project included a zoning map change for one parcel (1N2E28CB 19200) from R5 to Commercial Employment (CE) that conflicts with the proposed R5 to R2.5 rezone in the Residential Infill Project. The 82<sup>nd</sup> Avenue Study project was adopted by City Council on May 29, 2019. This amendment removes this parcel from the Residential Infill Project rezone proposal. A portion of a second parcel (1N2E21C 00100) was rezoned from R7 to CE, and therefore the proposed 'z' overlay for this portion of the parcel should no longer be applied.
- D) **Consistency and clarity.** A few additional minor changes are added to clarify code or make wording more consistent between sections.

## 2. House Bill 2001 Amendments - discussed on Jan. 29

*Removes restrictions on interior lot duplexes within the 'z' overlay*

On August 8, 2019 the Governor of Oregon signed House Bill 2001 (HB2001) into law. This bill includes several provisions relating to middle housing. Key among these is a requirement that cities allow development of a duplex on any lot where a detached single dwelling is allowed. Other types of middle housing (attached houses, triplexes, fourplexes, and cottage clusters) must be allowed in some areas zoned for residential use.

The Residential Infill Project proposal includes duplex allowances on most of the R2.5, R5, and R7 lots except when those lots are located in the Constrained Sites Overlay Zone (the 'z' overlay). While the bill permits cities to apply regulations in order to comply with protective measures adopted pursuant to statewide land use planning goals, the bill does not allow cities to restrict duplexes from being developed on lots where houses would be permitted. For example, a duplex proposed on a lot with environmental overlay zoning would be subject to the environmental development standards or environmental review, but strictly limiting all sites in the environmental zones to a single house would not be permissible under the new law.

*This amendment removes restrictions on interior lot duplexes within the 'z' overlay.*

### 3. Senate Bill 534 Amendments- discussed on Jan. 29

#### *Establishes rules to confirm substandard platted lots*

On July 23, 2019 the Governor of Oregon signed Senate Bill 534 (SB 534) into law. This bill requires cities to allow development of at least one dwelling unit on pre-existing platted lots. The bill makes no distinction based on the zoning, lot size or other lot dimensions, however it does provide that the presence of certain constraints can exclude a lot from being considered buildable.

Currently, the zoning code specifies minimum lot dimensions standards for when primary buildings are allowed on a piece of property. In single dwelling zones, these lot size standards are generally consistent with the land division lot size requirements. In the R5 zone, typically the minimum lot size is 3,000 square feet. Lots smaller than 3,000 square feet may be built on only if they have been vacant for 5 years.

The Residential Infill Project includes changes to rezone about 7,000 R5 lots to R2.5 in areas historically platted with 25x100' lots. For the remaining R5 25x100' platted areas, lots will no longer be required to be vacant to be considered buildable. The RIP Recommended Draft includes new narrow lot standards that require pairs of attached houses, and limits garages and parking to improve the appearance of narrow lot houses.

#### *These amendments establish rules to confirm substandard platted lots.*

The amendments revise terms for “lot”, “adjusted lot”, and “lot remnant” to clarify the status of lots whose dimensions have been altered either through boundary changes or right-of-way dedications. Additional standards will apply for platted lots when they are smaller than the minimum lot sizes specified in the base zone. Lots of record (i.e. unplatted properties) and lot remnants (i.e. portions of lots) will continue to be subject to the same standards and minimum dimensional requirements that apply today.

The amendments also add additional standards for allowing primary structures on lots that do not meet base zone lot sizes will exclude lots that contain environmental overlay zoning, special flood hazard area, have an average slope of 25 percent or more, or lack infrastructure (sewer, water, stormwater or streets). In these cases, the base zone lot sizes will apply.

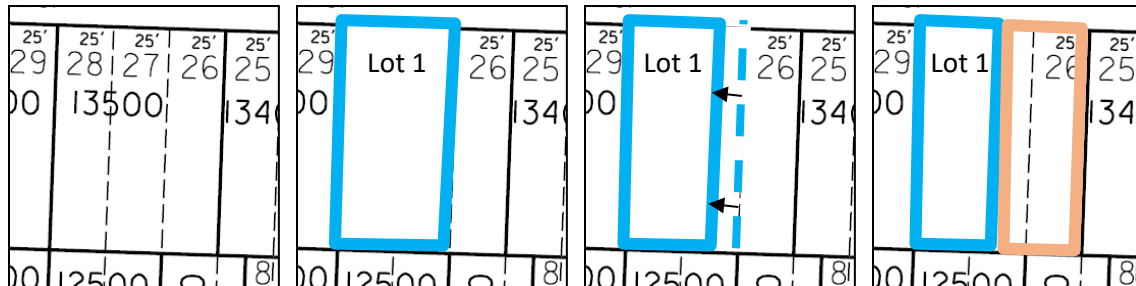
#### 4. Replat Amendment - discussed on Jan. 29

##### *Combines Lot Consolidation and Property Line Adjustment processes*

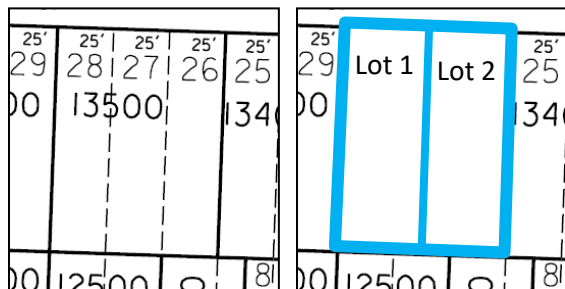
Currently, when property owners propose to move property lines between several narrow lots to increase lot width and size, a Lot Consolidation process must be completed first followed by a Property Line Adjustment, see example 1 below. This increases the time and cost for property owners to reconfigure narrow lots into wider, conforming lots.

This amendment changes the lot consolidation process and authorizes property lines to be adjusted concurrently with a single replat application, see example 2 below. The Type Ix review procedure that currently applies to Lot Consolidations will apply to replats.

*Example 1: Lot consolidation of Lots 27 and 28 first, then a property line adjustment.*



*Example 2: A 3 lot to 2 lot replat, with internal property lines concurrently reconfigured*



## 5. Infrastructure Amendment

*Allow three or more units when lots have frontage on an improved street*

Under-improved streets challenge the viability of new development. Providing street improvements and managing stormwater through off-site improvements can be prohibitively expensive for new development.

On the other hand, not getting street and stormwater improvements included in the cost of new development shifts the cost of providing the infrastructure from the developer to the public, city and/or in the case of a local improvement district (LID) to the development site's neighbors. Each of these outcomes has different equity impacts in terms of who benefits and who is burdened by new development.

The largest impacts happen with street improvements that also require establishing new curbs. This implies the need for full stormwater and potentially other underground utility improvements and relocations, which is very expensive.

The proposed amendment would limit the development of three or more units on lots that lack frontage on an improved street with a curb or an otherwise approved alternate street standard. This limits circumstances where utility line relocation is needed, avoids stormwater conveyance issues, and ensures that additional households are in areas with more complete street networks.

When the frontage has been improved to city standards, sites could subsequently be eligible these additional middle housing options.



1. Gravel (not accepted for maintenance)



2. Paved street without curbs



3. Paved street without curbs (one side)



4. Fully improved street (paved w/sidewalks & curbs)

## 6. Deeper Affordability Bonus Amendment

*Provide additional incentives for creating units at 60% MFI*

The Residential Infill Project already includes an FAR bonus for proposals where one unit is affordable to those making up to 80 percent of the median family income (MFI). The bonus does not increase the number of units.

This amendment would go farther to allow up to 1.2 FAR, up to 35 feet of height (an additional 5 feet in R7 and R5), and two more dwelling units (up to 6 maximum) when at least 50 percent of the units are made affordable to those earning not more than 60 percent of the median family income. The visitability requirement would apply to two units.

This bonus will still require projects to have additional subsidies (beyond SDC and CET waivers) to be financially feasible. However, it does meaningfully increase the ability of non-profit housing developers to be able to afford sites in neighborhoods that may currently be beyond their reach. It also can encourage a greater mix of income variability within a single building, more family sized units in a broader range of neighborhoods.

Specifically, this amendment can make the affordable project a more competitive bidder for the site.

As shown in the following illustration, the DEEP AFFORDABILITY BONUS makes additional FAR available for buildings of 4 to 6 units where half of the units are affordable @ 60% MFI for 99 years for rental units or @ 80% MFI for 10 years ownership units. At least two units must be visitable. Also allows 35' max height.

Comparison of FAR by zone							
	R7	R5	R2.5	RM1	RM2	RM3	RM4
Base FAR	.4-.6	.5-.7	.7-.9	1.0	1.5	2.0	4.0
Bonus	.6-.7	.7-.8	.9-1.0	1.5	2.25	3.0	6.0
Deep Bonus	1.2	1.2	1.2	2.0	3.0	4.0	7.0

#### Deeper Affordability Bonus:

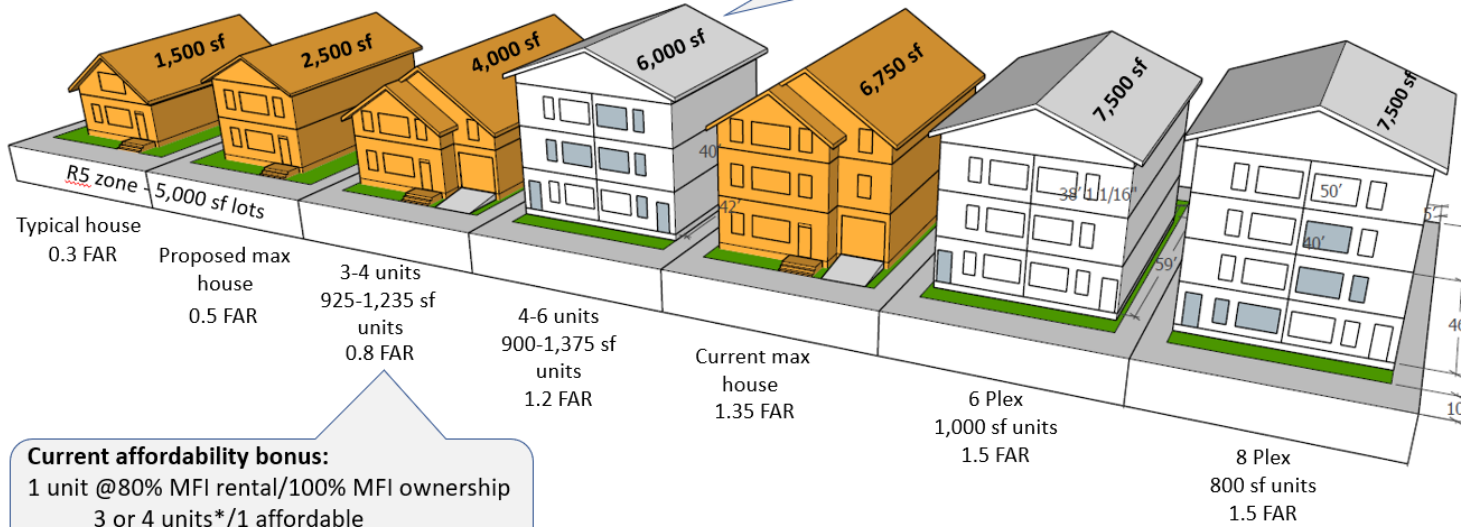
50% of units @ 60% MFI rental/ 80% MFI ownership

4 units/2 affordable

5 units\*/3 affordable

6 units\*/3 affordable

\*2 of the units must be visitable



#### Current affordability bonus:

1 unit @80% MFI rental/100% MFI ownership

3 or 4 units\*/1 affordable

\*1 of the units must be visitable

## **7. Historic Resource Demolition Disincentive Amendment**

*Prohibit more than 2 dwelling units on sites formerly occupied by a historic resource*

To further encourage adaptive reuse of existing historic resources, this amendment limits the development options on a site where a historic resource had been demolished in the previous ten years to a house, house + 1 ADU, or duplex. The limitation will not apply if the demolition was caused by fire or other disaster beyond the control of the owner, or the demolition was approved through demolition review. This amendment would make the single-dwelling zones consistent with the multi-dwelling zones provision Council recently adopted in the Better Housing by Design project and strengthens protections for resources in conservation districts which are not subject to City Council demolition review.

## **8. Narrow House Garage Amendment**

*Allow at least a 12-foot-wide garage on the front façade of a house regardless of the width of the facade.*

The zoning code that is in effect today limits the width of a garage to 50% of the width of the front façade. The code also has an exception that allows narrow houses (less than 22 feet wide) to have a 12-foot-wide garage. The Residential Infill proposal eliminates the allowance for the street facing garage on narrow houses. This amendment will put the existing garage allowance back into the code.

## **9. Mandatory replacement of affordable housing**

*Require one new unit to be affordable at 80% MFI when an 80% MFI house is demolished.*

If the existing house was affordable, and the house is demolished to build a duplex, one unit of the duplex must be permanently affordable to HUD standards at 80% MFI if for rent and priced at HUD affordability levels if for sale. The affordability of the existing house is based on its most recent rental price or its sale price of the house.

## **10. Inclusionary zoning for triplexes and fourplexes**

*Require one affordable unit at 60% MFI, equivalent to the other units, if the development has 3 or more units.*

To ensure that greater density results in affordable housing, one unit of a triplex or quadplex must be permanently affordable at 60% MFI. The affordable unit must be equivalent in size and amenities to the other units.



## **11. Limit 3 or more units to R2.5 zones**

*Permit developments with 3 or more units only in single-family areas currently zoned R2.5.*

This amendment would limit triplexes, quadplexes, and multiple ADU's to R2.5 zones only. This focuses density in areas that the planning process and Comprehensive Plan has already designated as suitable for higher density. R2.5 zones are typically clustered around centers and near transit corridors.

## **12. Complete anti-displacement action strategy first**

*Delay action on Residential Infill Project until anti-displacement programs are established.*

Before voting on or approving RIP in either its current or revised form, this would require that the city complete, approve, and place into action a robust, fully funded, and adequately staffed Anti-Displacement Program, including systems for tracking and evaluation with annual reporting to the Planning and Sustainability Commission and City Council.

## **13. Disincentive fee for demolition and/or tree removal**

*Impose large fees to discourage demolition and tree removal.*

Demolition, including deconstruction, of a sound house should require payment of a very significant disincentive fee. This will focus demolition on unsound ("derelict") houses and on unused lots/portions of lots, leaving sound existing houses to be converted to duplex, quadplex, etc through internal conversion under the streamlined rules now being developed pursuant to HB2001.

Trees should be retained whenever possible, for reasons relating to climate change, urban heat, and quality of life/environment. While large trees within a lot may have to be removed, mature street trees can and should be retained whenever possible. Currently, street trees are routinely removed for parking and driveways. Since on-site parking will not be required under RIP, there is no need to remove these trees, and doing so should require payment of a very significant disincentive fee.

These disincentive fees should be large enough to modify behavior, and to compensate for SDC waivers use to incentivize affordable units.

## **14. Determine systemwide impacts of SB534**

*Evaluate areas with substandard size lots (e.g. West Portland Park) to determine "adequacy of sewer infrastructure" for lot confirmations.*

**15. Rezone additional R5 area to R2.5**

*Rezone the area bounded by NE Alberta, NE 33<sup>rd</sup>, NE Prescott and NE 24<sup>th</sup>, from R5 to R2.5*

To address R5 lots in this area that are 4,000 square feet and thus too small to qualify for triplexes and fourplexes, rezone these lots to R2.5 (which have a minimum lot size threshold of 3,200 square feet).

**16. Remove dead-end streets for triplex/fourplex development**

*Amend RIP overlay map to exclude dead end streets that do not have adequate fire truck turnarounds.*

**17. Increase front setback based on abutting properties.**

*Increase uniformity of front setbacks by requiring setback to match neighboring house.*

When the front setback on an abutting lot is greater than 10', increase the required front setback to match the abutting lot, up to 15' maximum