

ORDINANCE No. 179994

Adopt the Living Smart Code Amendments (Ordinance; Amend Title 33)

The City of Portland Ordains:

Section 1. The Council finds:

General Findings

1. Beginning January 1991, regulations allowed construction of houses on historically platted 25-foot-wide lots. Construction of narrow houses on 25-foot-wide lots and the demolition of houses on 50-foot-wide parcels to construct two narrow houses on 25-foot wide lots became more common in subsequent years.
2. In 2003, the Planning Commission and City Council heard concerns over the design of the new narrow houses, the demolition of existing housing stock to create two vacant narrow lots, and the new narrow houses being built at twice the density allowed in the R5 zone.
3. On June 25, 2003, the City Council adopted emergency Ordinance #177643, which established additional design standards for new houses on existing narrow lots. The City Council also directed the Bureau of Development Services to develop a catalogue of house designs that would be suitable for narrow lots.
4. On September 10, 2003, the City Council passed Resolution #36166 directing the Bureau of Planning to develop a proposal to prevent demolition of houses, to promote affordable housing, ensure design compatibility, and to allow detached houses on small lots in multi-dwelling zones.
5. On October 15, 2003, the City Council adopted Ordinance #177975, which contains regulations that deter demolition of houses on platted narrow lots by establishing minimum lot sizes for development on existing lots in the R5 and R2.5 zones.
6. On November 19, 2003, the City Council adopted Ordinance #178045, which provided an exception to the minimum lot sizes for development on existing "vacant" lots in the R5 zone.
7. In 2004, the City sponsored a competition of house designs suitable for narrow lot development and published two documents: *Designs of Excellence Monograph* and the *Portland Catalogue of Narrow Lot Houses*.
8. In 2005, the City contracted with two architects that received awards from the competition. The architects developed their designs as ready-to-build plan sets that will be sold by the City as "permit-ready" houses.
9. In late 2005, the Bureau of Planning, in collaboration with the Bureau of Development Services, developed the *Living Smart Code Amendments Proposed Draft* that exempts "permit-ready" houses from some Title 33, Planning and Zoning, development standards.

10. On December 2, 2005, notice of the proposed action was mailed to the Department of Land Conservation and Development in compliance with the post-acknowledgement review process required by OAR 660-18-020.
11. Written notice of the January 24, 2006 Portland Planning Commission public hearing on the *Living Smart Code Amendments Proposed Draft* was mailed to over 500 interested parties on December 23, 2005.
12. On January 24, 2006, the Portland Planning Commission held a public hearing on the *Living Smart Code Amendments Proposed Draft*. Staff from the Bureau of Planning and the Bureau of Development Services presented the proposal and public testimony was received. After the close of public testimony, the Commission discussed the proposed amendments and unanimously voted to forward the *Living Smart Code Amendments Recommended Draft* to City Council.
13. A general notification of the March 8, 2006 City Council public hearing on the *Living Smart Code Amendments Recommended Draft* was sent to individuals who testified at the Planning Commission hearing and to over 500 interested parties on February 22, 2006.
14. On March 8, 2006 City Council held a hearing on the Planning Commission recommendation for the *Living Smart Code Amendments Recommended Draft*. Staff from the Bureau of Planning and the Bureau of Development Services presented the proposal and public testimony was received. After the close of public testimony, the City Council discussed the proposed amendments.
15. On March 15, 2006 City Council voted to adopt the *Living Smart Code Amendment Recommended Draft* and set the effective date for the amendments for April 22, 2006.

Findings on Statewide Planning Goals

16. State planning statutes require cities to adopt and amend comprehensive plans and land use regulations in compliance with state land use goals. Only the state goals addressed below apply.
17. **Goal 1, Citizen Involvement**, requires provision of opportunities for citizens to be involved in all phases of the planning process. The preparation of these amendments has provided numerous opportunities for public involvement, including:
 - The Living Smart Project Advisory Team (PAT) was formed in 2003 and included members of the architecture community, neighborhood representatives, developers and City staff.
 - The PAT met five times over an 18 month period between 2003 and 2004 to set the parameters of the Living Smart Design Competition.
 - In November 2003, the Portland Planning Commission was briefed on the Living Smart Competition.
 - The Living Smart Design Competition included many opportunities for public participation, including: voting for the People's Choice Award, two public receptions after each of the two phases of judging, viewing of the public exhibit of the *Design*

Excellence winners in the lobby of the 1900 Building, and viewing of the *Portland Catalogue* winning house designs at the Portland chapter of American Institute of Architects' gallery in December 2004.

- In June 2005, staff briefed the Portland Planning Commission and the Citywide Land Use Chairs on the implementation phase of the Living Smart project.
- On June 29, 2005, the PAT met to discuss the implementation phase and proposed zoning code amendments that were being considered.
- On October 28, 2005, written notice of the availability of the Living Smart Code Amendments Discussion Draft and the November 17, 2005 public open house on the Living Smart Project was mailed to over 500 interested parties.
- On November 10, 2005, the Bureau of Planning published the *Living Smart Code Amendments Discussion Draft*. The report was made available to the public, posted on the Bureau's web site, and mailed to all those who requested copies.
- On November 17, 2005, the Bureau of Planning and the Bureau of Development Services hosted a public open house on the project. Staff provided background information, the *Living Smart Code Amendments Discussion Draft*, the *Living Smart Designs of Excellence* document, and the *Portland Catalogue of Narrow House Designs*. Staff explained the proposal, answered questions and accepted public comments and suggestions. The open house was attended by over 30 individuals.
- On December 23, 2005, the Bureau of Planning published the *Living Smart Code Amendments Proposed Draft*. The report was made available to the public, sent to all neighborhood coalition offices, posted on the Bureau's web site, and mailed to all those who requested copies.
- On December 23, 2005, written notice of the January 24, 2006 Planning Commission hearing on the Living Smart Project was mailed to over 500 interested parties.
- On January 24, 2006, the Portland Planning Commission held a public hearing on the *Living Smart Code Amendments Proposed Draft*. Staff from the Bureau of Planning and the Bureau of Development Services presented the proposal and public testimony was received. Written and oral testimony was received from six individuals. After the close of public testimony, the Commission discussed the proposed amendments and unanimously voted to forward the *Living Smart Code Amendments Recommended Draft* to City Council.
- On February 21, 2006, the Bureau of Planning published the *Living Smart Code Amendments Recommended Draft*. The report was made available to the public, posted on the Bureau's web site, and mailed to all those who requested copies.
- On February 22, 2006, written notice of the March 8, 2006 City Council hearing on the Living Smart Project was mailed to those who testified at the Planning Commission hearing and to over 500 interested parties.
- On March 8, 2006 City Council held a hearing on the Planning Commission recommendation for the *Living Smart Code Amendments Recommended Draft*. Staff from the Bureau of Planning and the Bureau of Development Services presented the

proposal and public testimony was received. After the close of public testimony, the City Council discussed the proposed amendments.

- On March 15, 2006 City Council voted to adopt the *Living Smart Code Amendments Recommended Draft*.
 - Throughout the project, the Bureau of Planning staff maintained a project web site that linked to the Living Smart design competition website, included basic project information, announcements of public events, project documents, and staff contact information.
21. **Goal 2, Land Use Planning**, requires the development of a process and policy framework that acts as a basis for all land use decisions and assures that decisions and actions are based on an understanding of the facts relevant to the decision. The amendments support this goal because development of the recommendations followed established City procedures for legislative actions.
 22. **Goal 9, Economic Development**, requires provision of adequate opportunities for a variety of economic activities vital to public health, welfare, and prosperity. The amendments support this goal because they facilitate development opportunities on narrow lots. Specifically, the amendments exempt permit-ready houses from certain development standards to encourage their development.
 23. **Goal 10, Housing**, requires provision for the housing needs of citizens of the state. The amendments support this goal because they eliminate regulatory barriers to constructing well-designed houses on narrow lots. See also findings for Portland Comprehensive Plan Goal 4 (Housing) and Metro Title 1.

Findings on Metro Urban Growth Management Functional Plan

24. The following elements of the Metro Urban Growth Management Functional Plan are relevant and applicable to the Living Smart Code Amendments.
25. **Title 1, Requirements for Housing and Employment Accommodation**, requires that each jurisdiction contribute its fair share to increasing the development capacity of land within the Urban Growth Boundary. This requirement is to be generally implemented through citywide analysis based on calculated capacities from land use designations. The amendments are consistent with this title because they do not alter the development capacity of the city. See also findings under Statewide Planning Goal 10 (Housing), Comprehensive Plan Goals 4 (Housing), and 5 (Economic Development).
26. **Title 2, Regional Parking Policy**, regulates the amount of parking permitted by use for jurisdictions in the region. The amendments are consistent with this title because by waiving the parking required for lots that will be developed with permit-ready houses.
27. **Title 7, Affordable Housing**, ensures opportunities for affordable housing at all income levels, and calls for a choice of housing types. The amendments are consistent with this title because they facilitate the development of architecturally-designed houses on narrow lots.

Findings on Portland's Comprehensive Plan Goals

28. Only the Comprehensive Plan goals addressed below apply.
29. **Goal 1, Metropolitan Coordination**, calls for the Comprehensive Plan to be coordinated with federal and state law and to support regional goals, objectives and plans. The amendments support this goal because they conform to and do not change policies or regulations related to metropolitan coordination.
30. **Policy 1.4, Intergovernmental Coordination**, requires continuous participation in intergovernmental affairs with public agencies to coordinate metropolitan planning and project development and maximize the efficient use of public funds. The amendments support this policy because a number of other government agencies were notified of this proposal and given the opportunity to comment. These agencies include Multnomah County, Metro, and the State Department of Land Conservation and Development.
31. **Goal 2, Urban Development**, calls for maintaining Portland's role as the major regional employment and population center by expanding opportunities for housing and jobs, while retaining the character of established residential neighborhoods and business centers. The amendments support this goal because they reduce regulatory barriers to permit-ready house designs on narrow lots and provide opportunities for well-designed houses that contribute to the diversity of character of Portland's established residential neighborhoods.
32. **Policy 2.9, Residential Neighborhoods**, calls for allowing a range of housing types to accommodate increased population growth while improving and protecting the city's residential neighborhoods. The amendments support this policy by facilitating the development of well-designed houses that contribute to the character of neighborhoods.
33. **Policy 2.19, Infill and Redevelopment**, calls for encouraging infill and redevelopment as a way to implement the Livable City growth principles and accommodating increases in population and employment. The amendments support this policy by reducing regulatory barriers to development of permit-ready houses on small infill sites and by facilitating a greater diversity of housing design.
34. **Goal 3, Neighborhoods**, calls for the preservation and reinforcement of the stability and diversity of the city's neighborhoods while allowing for increased density. The amendments support this goal by facilitating a greater diversity of housing design in the city's neighborhoods.
30. **Goal 4, Housing**, calls for enhancing Portland's vitality as a community at the center of the region's housing market by providing housing of different types, density, sizes, costs and locations that accommodates the needs, preferences, and financial capabilities of current and future households. The amendments support this goal because they facilitate the development of well-designed houses on narrow lots. The amendments support this goal by exempting permit-ready houses from development standards that may be hindering better-designed houses on narrow lots. See also the findings for Statewide Planning Goal, Goal 10 (Housing) and for Metro Title 1.
31. **Policy 4.3, Sustainable Housing**, calls for encouraging housing that supports sustainable development patterns by promoting the efficient use of land; conservation of natural resources; easy access to public transit and other efficient modes of transportation; easy

access to services and parks; resource efficient design and construction; and the use of renewable energy resources. The amendments support this policy by facilitating development on infill sites that make efficient use of land and by providing the opportunity for houses that have been designed with sustainable materials to be developed.

32. **Policy 4.7, Balanced Communities**, calls for striving for livable mixed-income neighborhoods throughout Portland that collectively reflect the diversity of housing types, tenures, and income levels of the region. The amendments support this policy because they facilitate a diversity of housing designs that are suitable for a range of households and residential tenures.
33. **Policy 4.10, Housing Diversity**, calls for promoting creation of a range of housing types, prices, and rents to (1) create culturally and economically diverse neighborhoods; and (2) allow those whose housing needs change to find housing that meets their needs within their existing community. The amendments support this policy because they facilitate a diversity of housing designs suitable for a range of households and residential tenures.
34. **Policy 4.11, Housing Affordability**, calls for promoting the development and preservation of quality housing that is affordable across the full spectrum of household incomes. The amendments support this policy because they remove regulatory barriers to the development of well-designed houses on small and narrow lots. The amendments also promote affordable housing by facilitating higher quality housing on narrow lots.
35. **Policy 4.13, Humble Housing**, calls for ensuring that there are opportunities for development of small homes with basic amenities to ensure housing opportunities for low-income households, members of protected classes, households with children, and households supportive of reduced resource consumption. The amendments support this policy by providing new opportunities for the development of well-designed houses on narrow lots.
36. **Policy 4.15, Regulatory Costs and Fees**, calls for considering the impact of regulations and fees in the balance between housing affordability and other objectives such as environmental quality, urban design, maintenance of neighborhood character, and protection of public health, safety, and welfare. The amendments support this policy because they are primarily facilitative, removing barriers to desirable design and development, and do not add to regulatory costs. The amendments, in conjunction with the accompanying ordinance to reduce the plan review fees for permit-ready houses, provide an incentive for developers to build well-designed, permit-ready houses on narrow lots. The amendments also eliminate the need for permit-ready houses in design overlays to undergo a design review or be reviewed against the Community Design Standards.
37. **Goal 5, Economic Development**, calls for the promotion of a strong and diverse economy that provides a full range of employment and economic choices for individuals and families in all parts of the city. The amendments support this goal because they facilitate development opportunities on narrow lots. Specifically, the amendments exempt permit-ready houses from certain development standards to encourage their development.
38. **Goal 6, Transportation**, calls for the development of a balanced, equitable, and efficient transportation system that provides a range of transportation choices; reinforces the livability of neighborhoods; supports a strong and diverse economy; reduces air, noise and water pollution; and lessens reliance on the automobile while maintaining accessibility. The

amendments are consistent with this goal because they do not change policy or intent of existing regulations relating to transportation.

39. **Policy 6.26, On Street Parking Management**, calls for managing the supply, operations and demand for parking and loading in the public right-of-way to encourage economic vitality, safety for all modes, and livability of residential neighborhoods. The amendments support this policy by eliminating the requirement for on-site parking and driveways, thus preserving the supply of existing on-street parking.
40. **Goal 9, Citizen Involvement**, calls for improved methods and ongoing opportunities for citizen involvement in the land use decision-making process, and the implementation, review, and amendment of the Comprehensive Plan. This project followed the process and requirements specified in Chapter 33.740, Legislative Procedure. The amendments support this goal for the reasons found in the findings for Statewide Planning Goal 1 (Citizen Involvement).
41. **Goal 10, Plan Review and Administration**, is broken down into several policies and objectives. Policy 10.10, Amendments to the Zoning and Subdivision Regulations, directs that amendments to the zoning and subdivision regulations should be clear, concise, and applicable to the broad range of development situations faced by a growing, urban city. The amendments support this policy because they offer clear and concise standards and direction for the development of permit-ready houses. The amendments to the base zones standards have been designed to be practical for a broad range of development scenarios and clarify existing provisions.
42. **Goal 12, Urban Design**, calls for enhancing Portland as a livable city, attractive in its setting and dynamic in its urban character by preserving its history and building a substantial legacy of quality private developments and public improvements for future generations. The amendments support this goal by creating a regulatory framework to facilitate the approval of well-designed houses on narrow lots.
43. **Policy 12.6, Preserve Neighborhoods**, calls for preserving and supporting the qualities of individual neighborhoods that help to make them attractive places. The amendments support this policy by facilitating the development of quality housing on narrow lots.
44. **Policy 12.7, Design Quality**, calls for enhancing Portland's appearance and character through development of public and private projects that are models of innovation and leadership in the design of the built environment. The amendments provide incentives and remove regulatory barriers for quality houses to be built on narrow lots.

NOW, THEREFORE, the Council directs:

- a. Adopt Exhibit A, *Living Smart Code Amendments Recommended Draft*, dated February 21, 2006;
- b. Amend Title 33, Planning and Zoning, as shown in Section B of Exhibit A, *Living Smart Code Amendments Recommended Draft*, dated February 21, 2006;
- c. Adopt the commentary in Section B of Exhibit A, *Living Smart Code Amendments Recommended Draft*, dated February 21, 2006, as legislative intent and as further findings;
- d. The effective date for these amendments shall be April 22, 2006, to be coordinated with other Zoning Code amendments that will be effective the same day.

Passed by the Council: MAR 15 2006

GARY BLACKMER
Auditor of the City of Portland
By



Prepared by:
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February 23, 2006

Deputy