



Bureau of Planning and Sustainability  
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## DRAFT Meeting Notes

### Mixed Use Zones Project Advisory Committee (PAC)

**Date:** December 16, 2015

**Time:** 4:00 p.m. to 6:00 p.m.

**Location:** 1900 SW 4th Avenue, Portland, Room TBD

**Meeting Goals:** Share feedback on Discussion Draft and info on significant changes

**4:00 PM**      **Welcome**

**4:05 PM**      **PAC Announcements and Feedback**

- Meeting notes
- Other/Announcements

**4:15 PM**      **Bonus Study Update**

- Looking at comparing the bonuses with the affordable housing bonus and how they relate to each other.
- Looking at the base plus bonus for CM1, 2, 3 and their sensitivity
- Things have changed since the last study done. Construction costs increased, etc.
- Plaza open space being evaluated at 5 ft bonus for 1 sq foot
- Green features – LEED certification,
- Affordable commercial space working with PDC
- Preliminary Findings:
  - The policy priority is affordable housing bonus, the sensitivity testing is looking at how the other bonuses “compete” with affordable housing. See that a lot of the other bonuses may be more attractive than affordable housing. Be aware that some of the other bonuses may be taken out.
  - The bonus will not be utilized everywhere. Not every project will take advantage of this. This is not the silver bullet solution for affordable housing.
- **PAC Comments and Questions – *staff responses in italics***
- Looking at construction costs that are already in place (green infrastructure, stormwater) is that being taken into account?
  - ***Yes, we are also working with other agencies on this.***
- Are you looking at other subsidies that go along with affordable housing?
  - ***Yes, working with Portland Housing Bureau to figure those out. A broader affordable housing strategy (MULTE, etc.) will affect the bonuses and we are looking at all of that.***



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- ***In the zoning piece we are just trying to provide the framework where PHB would provide the administrative rules. BPS will look at adjusting based on a 2-3 year basis too.***
- The only way to get the 5<sup>th</sup> floor is in the d-overlay. This results in a smaller area where developers can take advantage of that. Will they pursue bonus without this 5<sup>th</sup> floor? It has become apparent that the "bargain" talked about at the beginning of the process, of cutting down the available FAR, and allowing developers to "bonus up" to a point above the current FAR, has not been followed. That bargain would only hold, if this option was available in every place that the CM-2 zone was mapped. In fact, the 5th floor option is only available in about half of the locations that are now CS. So, in fact, in half the areas, the by-right capacity is reduced from what is available now, and one cannot "bonus up" to a higher point. If this was decided in May, the extent of the area where it would not be available seems not to have been known to the majority of the committee members. To compensate, those areas without the 5th floor availability, should have their base FAR in CM-2 increased to 3.5:1.
  - ***The 5<sup>th</sup> floor allowance is on Pg. 54 of the Discussion draft. That was decided back in May for the concept plan. Staff supported applying the design overlay to address those buildings that will go to 5 stories, since it is a large building for a neighborhood. Our capacity modeling did take this into account, by conservatively estimating use of bonus.***
- I missed those meetings in April and May - what are the factors that play into why developers don't want to do affordable housing?
  - ***In many cases affordable housing just doesn't work financially for them. So we're trying to structure this bonus such that it's an incentive: we're asking for something, but giving back in return (FAR); the question we are trying to address is the incentive adequate -good enough to take advantage of it?***
- What are some ways we can get more affordability?
  - ***Not much we can do to reduce the cost. Lots has to do with the market and cost of construction. The "ask" for the bonus is similar to how you would require inclusionary zoning, but it's not required.***
- When you are talking about affordable housing, you are talking about 80% MFI?
  - ***Yes***
- Will it be affordable housing for 60 years?
  - ***Still being determined, but looking at 60 years. For our modeling we are looking at "indefinite", which would be about 60 years.***
- What are you assuming about the administrative costs for affordable housing?
  - ***In our talks with developers, at 80% MFI they are relatively low for them.***
- As an architect and planner, people are always searching for 5<sup>th</sup> floor, it needs to be in transit oriented areas. So I hope the map is up to speed with the changes in these areas and PBOT projects, etc.
- Have you looked at the relationship between the rent charged at 80% MFI and what percentage of a person's income that amounts to?
  - ***I don't know if we've looked at that yet.***





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- How does this in-lieu fee work? Can people use the in-lieu fee to place in areas where they can help development into the 5<sup>th</sup> floor.
  - ***We are considering an in-lieu fee similar to the type being considered for Central City. The cost of in-lieu fee will be slightly above the cost to build affordable housing, in order to incentivize them to be built on-site. We need to look at it more though.***

4:30 PM

### Draft Zoning Code Amendments

- Discussion Draft Comment summary
- Changes being considered for Proposed Draft
  - **PAC Comments and Questions – *staff responses in italics***
  - 1. In-Lieu Fee for Affordable Housing Bonus
    - So instead of providing amenities in developments, people can pay an in-lieu fee? And only for the affordable housing bonus?
      - ***Yes. PHB will be administering the fund from the in-lieu fees.***
    - Would you be able to apply the in-lieu fee outside of the d-overlays?
      - ***Yes. I'm assuming we would apply it uniformly.***
    - I like the in-lieu fee, IF that density is built in the same area/district. There should also be a time limit so that the fees don't just collect and are never used.
    - I like the in-lieu fee because I know there isn't enough funding for other affordable housing programs. Plus, there may not be good areas for affordable housing (not next to transit, etc.) where people want to take advantage of the bonus. I would like to see the city create some pilot projects with public/private development.
    - Integrating affordable housing into other income housing is the ultimate goal. I think 1c. (allowing an in-lieu fee in some situations: non-residential projects or small increment of floor area needed) is a good way to keep a source going for affordable housing.
    - I do think it's a great idea, but we need administrative policy mechanisms put into place so that it is done properly.
    - Affordable housing has to go into the community. Don't want housing to build one building of all affordable units and a stigma is attached to it.
    - Build in some transparency from the beginning.
    - Want to make sure the affordable housing is integrated!
    - Need to really look at it as a holistic approach, especially with the amenities needed.
  - 2. Required Landscaping/Green Options
    - I do have a concern that we are forgetting what a city/urban area is like. People like to be next to people and buildings. If you want more greenery, it's in larger street trees on sidewalks. I like 2f. (large street trees) as long as PBOT and Forestry go along with it. I worry about





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having little green patches interrupting storefronts as you walk along. Ecoroofs are fine though.

- I think landscaping and BES stormwater requirements need to work better together. There needs to be some double dipping, say stormwater with plantings count as landscaping. You don't have that much room to play with.
  - ***There would need to be some change in the code.***
- Concern about the loss of the urban canopy. Glad you are considering these changes. I don't think the tree fund will help this. The problem with the large canopy street trees is that they can be planted and then moved all the time. We should be improving green elements in these areas.
- People do much better in nature than brick walls and concrete. We have to get the agencies work together and coordinate. People need to have the parks and the trees. It's a cost and health issue. It's important to get as much landscape back into the urban space.
- Put in an incentive to preserve large existing trees and count toward the landscaping requirement.
- Need to make sure we have the right kinds of plants/landscaping to work for the area.
- Concerned about the tree fund.
- Once you start looking at requiring more for landscape this could create a larger setback and could reduce pedestrian traffic because it's an intimidating space.
- Stormwater facilities should not be on main streets, but on the neighborhoods streets where they will have more space. Would rather see café seating, etc.
- You can design around these large trees.
- Need to consider about freight and how they can maneuver around these landscaping requirements – big trees might not work well.
- Might be good to entertain flexibility where landscape requirements can be used in other places nearby that will work better.
- 3. FAR Transfers
  - I think the term historic district is too broad.
  - We shouldn't put large buildings next to historic structures.
  - Look at what makes a historical district unique, if you use similar scale and architecture that matches the historical area then it should be okay. Make it a good use of the space. Not all historic districts are created the same.
  - So this would only be for buildings designated in historic districts.
    - ***Yes and if taken advantage, someone could only get more FAR, but not height.***
  - Not sure if this is FAR transfer idea is equitable. There are many neighborhoods that aren't designated historic districts who could





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receive the negative impacts of this by getting more development with the transfer.

- 4. Auto-Oriented Uses/Development
  - Regarding allowing drive-thrus in auto centric zones to me is a safety issue. I've seen many car accidents from people trying to get onto the road from drive-thrus.
  - I think a lot more research needs to be done within the communities and with the community members. I go by lots of large shopping centers in east Portland that are dead and not used by the community and have become eye sores. We need more research done on how this design works today and what would be best for the East Portland communities.
  - This is sending us in the wrong direction. We are trying to make Portland more pedestrian friendly.
- 5. Other Development Standards
  - For a. (increase landscape buffer from 5' to 10' adjacent to residential zones), bigger isn't necessarily better. I think there are innovative ways to get that landscaping requirement.
  - For b. (Increase entrance frequency requirement to one entrance every 50 feet from 100 feet) I do think 100' is too far, but would compromise with 75'. For c. (exempting projects using affordable housing from ground floor commercial in Centers Main Street Overlay zone) I think at least the ground floor needs to be retail ready. Doesn't mean it needs to be used right away as a retail though.
  - Like the 10' idea. For b. I'll be okay with 75' or 50'. For c. I like the idea of making it look like it's retail too.
  - For b. I support more frequency of entrances.
  - For a. I like 10'. For b. I support more frequency. For c. I support active space use vs just commercial space use.
- 6. Code Complexity/Redundancy

Staff is considering the following:

  - a) Delete allowance for corner height in exchange for angled corner.
  - b) Delete base zone allowance for added 3 feet of height for high ceiling ground floor retail; consider in Centers Main street overlay where active ground floor is required.
  - c) Combine the parapets and roof top deck railings exemptions into a single, simpler exemption that allows parapets and railings to exceed height maximums by 3.5 feet.
  - d) Delete Division Plan District – the bulk of the former main street overlay standards are now addressed in base zone, Design overlay zone, and Centers Main street overlay zone standards. Encourage consideration of Division Design Guidelines being developed by neighborhoods in the Design Review assessment getting underway.
    - Keep a, b, c, do not delete! I do agree with d though.





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- Angled corner yes, 3 feet in overlay sounds like a good idea. I do know that d-overlay is not in Sellwood, so I would be okay with getting rid of plan district if we get that.
- Keep b, do not delete.

### 5:40 PM Public Comment

- What I've heard so far sounds encouraging to me. We want to make sure that the priority for the density bonuses is for affordable housing. We need to adjust the ratios that are available to developers. We don't want developer to get 100% of bonus by using multiple bonuses that aren't housing. The value of the bonuses needs to be carefully considered. These bonus values need to be kept up to date. If they aren't we're going to end up losing value. I'm hoping Portland will avoid what happened in Seattle where the bonuses got out of date. They should be looked at on an annual basis and set in the zoning code. No bargaining or moving around the values.
- I got something in the mail where the residential components are not currently in the FAR. I hear that this proposal will count residential in FAR. This will reduce the amount of housing. Generally the more supply of housing you have, the lower the cost of housing will become. I would like you to encourage more dense development along transportation corridors and more residential development. This will cut down the need for automobiles and provide more walking access to mass transit.
- Q. Were there any changes made to the map due to comments received?
  - **Staff Response: We're still working on that now with the District Liaisons.**
- When talking about inappropriateness of large trees, I think it's more important to get the right kind of species in the places. The large trees can work.
- As a representative from Oregon Opportunity Network, we urge that the affordable housing bonus be strengthened and feel that more should be done that developers do this bonus vs using the other bonuses such as green features.
- I have a lot of concerns about how small businesses are going to operate in these new corridors. We need to take a harder look about what makes a classic commercial retail work. We need to look at the inside, not the outside. On Hawthorne, the spaces are deep. When you deal with streets with very limited depth I'm worried that businesses will fail. I think these classic commercial spaces are threatened by these mixed use changes. Worried these changes will put them out of business.
- Looking at some of the standards I advise the staff to cautiously look at increasing the landscape buffers to 10'. It complicates affordable housing. For the entrances along main street corridors, I think you all are going in the right direction with more frequency.
- Woodstock neighborhood: we are looking at being designated mixed use on both sides of the streets for about 10 blocks, which is a lot. The transition between commercial mixed use to residential is very important to us. I lobbied for the 10' landscape buffer and where they have been implemented in Woodstock have been successful.

### 6:00 PM Next Steps/Adjourn



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