

Mixed Use Zones Project Advisory Committee (PAC) Meeting #3 Summary

Date: April 16, 2014

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

Location: 1900 SW 4th Avenue, Portland, 2nd Floor - Room 2500

Committee members in attendance: Jason Barnstead-Long, Bob Boileau, Lori Boisen, Eric Cress, Daryl Garner, Steven Gilliam, Carol Gossett, Damien Hall, Heather Hoell, Duane Hunting, Michael Hayes, Sarah lannarone, Lauren Jones, Doug Klotz, Charlotte Larson, Susan Lindsay, Dennis Petrequin, Cora Potter, Curt Schneider, Vicki Skryha, Frank Walsh, Yu Te

Staff in attendance: Deb Meihoff (Facilitator), Barry Manning, Bill Cunningham, Tyler Bump, Madeline Kovacs.

Committee members not in attendance: Tim Brunner, Brendon Haggerty, James McGrath, Jason Miner, Karen Ward, Mike Warwick

Members of the Public in attendance: Linda Nettekoven, Wendy Chung, Jack Bookwalter, Ellen Burr, Anna Dearman, Heather Flint Chatto, Sean Barnett, Robert Granger, Meganne Steele

Meeting Goals: Learn more about PAC members' aspirations and concerns for mixed use; answer PAC questions, provide clarifications. Provide expanded opportunity for public comments.

Abbreviations: Q = Question; C = Comment; R = Response (staff)

Welcome and Introductions

Deb Meihoff introduced the committee agenda. Committee members, staff, and members of the public then each introduced themselves.

PAC Process Updates and Feedback

Barry and Deb gave a quick overview of feedback heard during the last committee meeting, including requests for more time for discussion, and to delve deeper into questions pertaining to equity. Barry updated the Committee on the project's progress with consultant selection, and with the Technical Advisory Committee (TAC) which met the day previous. Barry also clarified consultant and TAC's scope of work: The consultant team is helping with best practices research, and the concept development phase. The first project deliverable is a mixed use zone assessment report, due during the summer. This report will bring together best practices research from staff and consultants.

Barry shared neighborhood walkabout plans so far, including the tentative walk schedule, and goals of



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the walks.

Q: In term of best practices, what are the consultants looking at?

R: We are looking for mixed use zoning frameworks and development situations that are similar, areas that are relevant comparisons to Portland.

C: I think it will be interesting to note who is showing up to walks. For example, are people coming from outside the community, or only residents? Knowing those demographics would be helpful.

Q: Since not all portions of the city will be walked, I assume that part of the goal is to generate information that is also relevant elsewhere?

R: We attempted to pick locations that hit both different geographies and also different place types, from neighborhood centers to large corridors, to get a sampling. There may still be a few gaps, but we think we have a good spectrum covered.

Q: It sounded a like many walk selections were part of the main street or NPI network, where a lot has already been done – why not go to places like NE Broadway which haven't received as much City attention?

R: We attempted to spread it out geographically and by area type as mentioned above, and some of those happened to coincide with NPI spots.

C: I think these walks are a very good communication tool: I have attended a series of walks in Sullivan's Gulch, and we had people from as far away as Eugene come in.

Q: Is 122nd representative of locations farther East as well, as far our as places adjacent to Gresham? You heard my concern last time with that area being a diverse population. Do you think you maybe need another study area farther east to capture this diversity?

R: The study area at 122nd has a 40% minority population so that may address those questions.

C: That sounds fairly representative.

Q: Are you providing opportunities to study closely areas that aren't part of a walkabout?

R: We are doing some snapshots of many areas as previously discussed (http://www.portlandoregon.gov/bps/article/484813). What we are trying to get at with walks is: what will work in different types of areas, what are the features that people are interested in? The walks are samples of those areas. We hope PAC members will tell us if issues of interest are not being captured in the study areas and walks we've chosen, as it pertains to zoning regulations.

Q: Are we looking at any areas with EX (Central Employment zone), which is applied to many commercial and mixed use centers of the city and permits nearly all types of development?

R: Yes, N Williams, NE Broadway, and a couple other areas include some EX.

Process, Zoning and Design Follow-Up

Q: The RH zone is a residential zone applied in some areas like Northwest and allows for some mixed use. Will we address that zone? If not, where do requests having to do with specific zoning designations like RH get handled?

R: This project will focus on the commercial zones but is not looking at the residential zones. If you think the RH needs to be addressed, follow up with the District Liaison for your community so that they are aware and can funnel comments into the Comp Plan Update process.



C: Residential zones along corridors also affect neighborhoods: The highest density neighborhood zone is R1, which often is located in areas where it is not financially feasible to build apartments – often just townhouses.

R: We have heard concerns about the right density for residential uses on corridors before in other conversations. The Comp Plan update process is the more appropriate place to discuss locations of different zones/densities, since the zoning map and code follows the policy direction of the Comp Plan.

Mixed-Use Development Aspirations and Concerns

Bill gave an overview of Comprehensive Plan policy objectives for mixed-use corridors, and pointed out how the regulations developed should be supportive of these policy objectives.

Deb then posed the question to PAC committee members: In your view, what's working/ not working in terms of current mixed use zoning areas throughout the city?

C: I continue to be worried about neighborhood and storefront commercial that allows all types of residential. When you get non-commercial ground floor uses in what should be a commercial district, it creates "toothiness." Currently all residential types are allowed, and there are no parameters protecting the storefront focus. The service type doesn't matter as much; we just need consistent ground-floor activity.

C: I hope one of the things we can look at is the difference between zoning and design. The code generally deals in black and white issues - what is or isn't allowed. But then there are other design and neighborhood standards mixed in, so is it both or one or the other? In Seattle they get their basic development (zoning) entitlements out of the way, and then they address design: height, FAR, sometimes these are granted, sometimes you go in for review, sometimes certain bonuses are allowed. But here, requirements are much less clear, and so much can change depending on the specific case - it turns into horse trading.

C: The development we are talking about takes place along commercial corridors, but right behind that active street is often zoned for low density residential uses. This often creates issues for residents when there aren't adequate buffers. One issue is the liquor stores, or outdoor places that stay open late at night, where outdoor uses by clubs filter into neighborhoods. I also think this is really important to think about housing for families that need bigger units, not just single people.

C: Parking supply has an effect on small businesses. We need to have adequate space, areas for loading/unloading to function properly. Many customers that I have talked to express that they would rather come to my store than downtown or Lloyd, but if we lacked parking they would go elsewhere. In my neighborhood we see businesses come and go in places where there aren't enough parking spots. But, I also bike, live near Velocult and they put in some bike parking so maybe there is some combo where it can be made easier, or businesses can be educated so we can petition for bike parking, too. R: The PBOT study we mentioned at the first meeting, the parking management study, is currently getting underway earnestly. So I will let you know more about when that's ready to take off and how we can share results with the committee.

Q: I was looking at the policy 3.59.D of the working draft of Comp Plan Update which requires that ground level building spaces in core areas accommodate commercial space – but it's often unclear what's a center/ corridor? Will there be a zoning designation that corresponds to those areas where specific



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requirements will apply?

R: There was interest among community members about ensuring that key areas in business districts have continuous commercial frontage, but also concerns about requiring this on all commercial strips - so the compromise was to have policy language that supports ground floor commercial and services in key places. This project may or may not identify those key places. One example of how this has been addressed in the past is Hollywood. We did an area plan in Hollywood, with detailed zoning that applied the requirement for active ground floor uses in key areas. So we may follow up in this way with more detailed area planning.

C: In defining the corridors, which is a good idea, there also needs to be sensitivity to market demand. You don't want to end up with spaces left vacant for years that were intended for commercial use. C: The consultant team should look at the implications where ground floor retail is required in a new development. I also have seen that requirement backfire in places like Seattle. Would the requirement really serve any of our over-arching goals?

C: Yes, we have seen this in our neighborhood with a lot of vacant spaces.

R: This is a concern. Many vacancies occurred in areas in Seattle that were zoned with mandatory ground-floor retail. We want to look into potentially more flexible options, where zoning can allow for these places to be adapted differently in the short- and long-term. This will be part of the recommendations we receive from the technical committee, too - what's feasible?

C: I think the mixed use zones are working. Generally, developers are building mixed use buildings in the mixed use zones. I worry that this process may work towards trying to shut that down. Already the requirements from city council around parking is shutting down some projects. The city needs to be cognizant of crafting requirements that don't halt development.

R: This is another area we want the consultant team to look at - what are the development/economic implications of transitions/step-downs, design features, and other potential new requirements for the zones?

C: We need more ways to control development form as well: For example could street width dictate maximum building heights? Maybe density could still be maintained by stepping it up or back where you need to.

C: I want to stress the importance of applying a long term lens to development, correlating to the capital market cycle (which tends to be about 8 years). When we build new buildings, we should be thinking in terms of about 100 years, making good-quality spaces that will be flexible and desirable into the future. So I have seen that short-term/long-term approach mitigated pretty well in other cities, including applications of live/work type zoning.

R: Yes, and I'd like to explore more about some of those live/work options that could work here.

Q: To the extent that there is a new mixed-use code, I would like to see it be as simple as possible. I think stimulating development can happen with alleviating upfront costs and simplifying the review process as much as possible.

R: We will definitely be working with the Bureau of Development Services (BDS - the bureau tasked with permitting and enforcing the code) on code complexity issues when it is time to develop code specifics.

C: I would like us to keep an open mindset that can encourage further innovation, tackling concerns like energy efficiency and climate change through efficiency and other measures as we implement the centers/corridors plan, especially as we hope to facilitate a transition away from the auto-centric city. Flexibility can allow for this innovation, especially in places that aren't currently receiving benefits of the



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market.

C: We need to think about how we can simplify rather than adding more layers to the code, and always leave the door open to innovation and flexibility. Until recently street design has been car-centric, so we generally think only about the fronts of the buildings. But, especially from a pedestrian viewpoint, the backs face important activities too, and can help foster street life in places like alleys. When we brought in things like the Sasquatch Brewery in Hillsdale, the community and neighborhood input worked very well.

C: Portland used to give things like density bonuses, etc. I am wondering if considering bonuses can help achieve other Comp Plan goals, such as equity, that can help incentivize growth where needed, and where neighborhoods want it. What mechanisms are there that can keep the code simple but allow for customization?

R: The project will consider use of bonuses and incentives for desired development features.

C: Especially in lower-lease rate parts of town, the consultants should consider the implications of different construction and materials requirements. It would be nice to see a pro forma about what lease rates can support in terms of private development.

C: This conversation seems predicated on attracting and catering to the market. But for the people that I am representing, the market isn't fair and doesn't always represent the interests of the community. What we are planning to do reinforces an unfair market in many ways. How do we require or incentivize developers to include solutions that can help low income people, and also help them stay in highly desirable areas?

Public Comments:

C: I live in the Beaumont-Wilshire neighborhood. Many existing Portland communities have spent a lot of effort making their neighborhoods the livable communities that they are today, and we don't want to see them destroyed. Some of these policies could affect/destroy their character and affordability. I know one of the goals is to make more affordable housing, but when you talk about upzoning, you will create an incentive for more demolitions and the housing that replaces the affordable bungalow's that are destroyed are sold for a lot of money. We have a lot of demolitions going on now, and in no way are demo's environmentally friendly – all that just goes in a landfill. Affordability and environmental concerns should be major facets of commercial zoning that we are looking at changing.

C: I live in the Elliot neighborhood. I want to support earlier comments on design, and ask for more design review for projects that abut conservation or historic districts.

C: I serve on the NW District board: The NW is unique among those discussed here as our mixed use is already well—developed. As you might know, in the NW we have a historic district in the middle of a much larger mixed use district, which brings in to question the concern that if you have an entitlement that allows building out dense and high, that is what developers will do because that's what the zoning allows. So can we look at mixed use not only in terms of complementing the historic district, but also on a block by block basis? Perhaps lower rise buildings are more appropriate in some areas. It's disconcerting to think that everyone moving in will be a young person with money who wants a high-rise condo.

C: We are also concerned about losing affordability in our neighborhood. SE Division is one of those streets that has seen more intense development in nodes, separated by a string of housing in between. In this economic downturn is there some practice that lets folks ride the waves, using spaces differently, and



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returning to stores when demand returns? On the scheduled walks, it might be nice to incorporate a history of zoning in certain spots of the city: What were we trying to accomplish? Did it work?

C: I am a Board member for the Richmond Neighborhood Association, and member of the Division Design Initiative. One major question coming up in our neighborhood meetings is: how can neighborhoods have more say in the development that is slated for it? Some developers have given good notice and allowed for participation, but others have not provided much, if any, advanced notice to neighborhoods. We need to consider how neighborhoods can offer feedback with larger strings of development, looking at the cumulative effect on places. The height step-downs mentioned can be one useful tool in your toolbox. That treatment of all sides of a building is critical, as are design details that help keep the connection to the existing community. I see a backlash coming against density if we aren't careful, which is the opposite of what we want to happen. So much development is happening where character is being lost. So what you are doing is important and I hope you will think about not just future build-out goals, but also with that longer hundred year perspective — are these places built to last, out of good-quality and good-looking material? Another idea is potential triggers for design review tied to adjacency issues.

C: I am a Richmond Neighborhood Association Board member and moved to Portland in 2006. One of the reasons I did was because of its walkable, livable corridors on the east side – not a lot of cities have these. Later that year I bought a house off 48th and Division, because people told me that this part of town would see mixed use development. It has lived up to this expectation and I couldn't be happier. There are certainly neighborhood compatibility issues, but I think the system we have now is pretty great, and I would encourage the city to go even further with zoning. Think 50-100 years down the road to a time when we don't rely on cars.

C: I agree with the earlier comments about paying attention to design requirements. I am from Woodstock, which has very mixed zoning, with some positive outcomes and some negative. Things are changing (I have lived there for 30 years). For example we had an old and beloved site recently sold to a developer. The result is a generic medical office building. I understand the need for opaque windows with medical uses and lack of street activity compared to other business options, but it's plain vanilla, and I know we want better.

C: I will make a little counterpoint to that, concerning simplicity around zoning and entitlements. I am from Boulder, CO where the entitlement process is incredibly complex. This makes projects much easier for big, well-resourced developers on the inside, who have lawyers and experience, but harder for a small developer or landowner. So keeping things simple is actually also an equity issue for types and sizes of businesses. As planners, we need to also acknowledge what we really do/don't know and can/can't predict. We should allow for flexibility and not try to over-plan through zoning.

Committee Comments:

C: Regarding growth and density, and sustainability and community design: How can we include housing for all ages in our buildings? How can we help design denser dwellings so that they can also be lived in successfully not just by young single people, but also by children, people with disabilities, etc.?

C: A couple of things I have noticed: First, we have two new apartment buildings on SE Morrison, built to the maximum allowances, without parking. Developers assured us that the people that would move in wouldn't have cars. But it's been wall-to-wall parking up and down the street. Another point is that I think people will continue to have cars, to go travel and see Oregon, and they will keep parking close to where they live. This concept that we can densify without providing cars doesn't work. We are also seeing a lot



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of house demolitions, with yards and trees removed. And every time we take out the trees and put up a six-unit space, we also have wiped out open space that had been absorbing carbon.

- C: Currently, my company's biggest projects are mixed use for young artistic types, and older retirees and these are the same buildings: Dwellings above active ground floors. The young people and the seniors actually want really similar things. They both don't want to own cars, they want flex-cars. There will be a huge demographic of people over 65 needing to be housed. We do need to address parking management, but it will not be not as if everyone owns a car.
- C: If we are to require commercial use on ground-floor areas, I think on my experience underwriting property loans. The income from businesses on the ground floor was partly utilized to service the debt. Before building, we solicited letters of intent from interested businesses to offer some security. Could it be reasonable to require letters of intent as a pre-condition for a building permit?
- C: I am a commercial broker. I think a strategy of pre-leasing would make it tough to get buildings off the ground. A lot of mom and pop places don't understand pre-leasing. The other thing is we have been focusing a lot of our attention tonight on inner SE. Maybe we should take some time to think about outer neighborhoods, which are quite different, as is the West side.
- C: In East Portland, we have a lot of affordable housing, but also pockets of places where people need goods and services, but can't pay for them. Can there be an adjustment for that? I would be excited to look further into what zoning tools may help address these gaps.
- C: How can we encourage people to live and work within a two mile zone? The two mile perimeter allows you to build community. If development can encourage more town centers, if 80% of people can live and work in a two mile zone, transportation costs go down overall, creating less pollution. This can also lend itself to having more uniqueness among communities. Community features can take on new uses, be reimagined to serve the community. For example, huge wide streets can be converted into park space, open spaces, active street life.
- C: The City has created a very comprehensive structure that enables neighborhoods to get information about permits, but the same thing isn't provided to businesses as readily. So as we think about these design standards, etc., we need to be sure we have systems that include businesses as well as residents.
- C: Following the walkabout on April 26th, Sullivan's Gulch is holding a design workshop. A speaker will provide a development history of Portland. I hope you can all come to the Broadway walk, it's a good microcosm of many issues we have been discussing tonight: We have parcels with dual zoning, emerging larger buildings, interest in preserving main street areas.
- C: I appreciate this process as a pathway towards prescriptive coding in the planning process, instead of the review processes. I want to note that as developers, we are pretty predictable. Most of us don't want to take on additional risk, and we want to be guided into doing what that community wants. San Francisco and Berkeley emphasized a subjective design processes, making affordability a real issue. So, anything you can make predictable up front via the code up is good. Public process is where mediation should happen, and it's incredibly valuable. A lot of the vintage buildings that we have are affordable housing/worker housing. If you go back and look at historical plans, it becomes clear that now old neighborhoods were once new, and they dealt with some resistance, too.
- C: I want to think about what would work in SW Portland. The area has many topographic challenges, so the buildable area is often smaller. Can we allow higher height limits to allow for the same density?



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Maybe allowing heights to be mixed around might get away from creating those canyons of buildings people mentioned. Another suggestion is adjusting heights to street widths. And, I think there is actually something to be said for the canyon effect - it's intimate! We need to have street walls to help bring a sense of enclosure and to help make it feel like you are "in" a place.