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Meeting Notes Mixed Use Zones Project Advisory Committee (PAC)

Date: January 21, 2014

Time: 4:00 p.m. to 6:30 p.m.

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

Meeting Goals: Continue PAC review of prototypes, economic models, and design features

Project Staff in Attendance: Bill Cunningham, Lora Lillard, Barry Manning, Samantha Petty (BPS); Shem Harding, David Hyman, Brendan Buckley (Project Consultants); Deb Meihoff (Facilitator)

PAC Members in Attendance: Jason Barnstead-Long, Bob Boileau, Lori Boisen, Eric Cress, Brendon Haggerty, Damien Hall, Michael Hayes, Heather Hoell, Duane Hunting, Sarah Iannarone, Lauren Jones, Doug Klotz, Charlotte Larson, Susan Lindsey, James McGrath, Jason Miner, Denis Petrequin, Cora Potter, Vicky Skrya, Frank Walsh, Mike Warwick

Members of the Public in Attendance: (11)

PAC Process Updates and Feedback

- Meeting notes have been emailed out please let us know if you have any further comments
- Project team is considering delaying the upcoming public workshop until further refinement of the concept. Would like feedback from the PAC regarding this delay.
- Project staff are scheduling meetings with the neighborhood coalition offices to talk over the emerging concept.
- One Tuesday January 27th 3pm-8pm there is a PSC work session on Centers and Corridors, PAC members are invited to attend.

PAC Discussion/Comments

Staff responses are italicized

Will there be a business district outreach strategy?

We do not have one yet, but we should work on that.



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Presentation reviewing Comp. Plan goals and policies. Review of the original intent of using FAR as a tool to reach a compromise between competing goals. FAR could be bought back through community bonuses.

Full presentation available here (scroll to correct presentation):
<https://www.portlandoregon.gov/bps/article/515222>

PAC Discussion/Comments

Staff responses are italicized

When did we make the decision to allow housing in a commercial employment zone?

We heard feedback from the PAC and TAG that housing should not be limited in the CE zone to allow flexibility, especially in areas experiencing little growth, but decided not to bonus housing in those zones.

There are three Pattern Areas have the building prototypes only refer to inner and outer pattern areas, what is the discrepancy?

We combined the western and eastern pattern areas together into one outer pattern area for modelling purposes.

How is affordable commercial space defined?

For modeling, affordable commercial space is assumed to be 75% of market rents, with some fine tuning how to tie that number to local markets.

Affordable commercial could mean size, small commercial spaces can be affordable by definition.

In my role in the BPS Budget Advisory Committee we talked about broadening historic designations to include more than just time frame but also cultural significance or significance to the community. This broader definition could achieve equity goals that are being created in other committees at BPS.

Can we consider other bonuses beyond increased mass and bulk? What about fee waivers, or reduced permit times that could incentivize affordable housing?

We should have a bonus that allows you to lower the parking requirements in exchange for affordable units to alleviate unnecessary parking.



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Discuss Prototype Modeling Results

Presentation on Market Feasibility Testing – Brendon Buckley, Johnson Economics

Presentation compares the costs of bonus requirements with the added value of the additional FAR. Notes that many bonuses are close to working in the inner neighborhoods but are not as viable in the outer neighborhoods.

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PAC Discussion/Comments

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Residual Land Values benefits the land owner not the developer. This proposal would potentially devalue land in the mixed use zones. We should study the impact on this change.

If the objective of the comp plan is to stimulate a pattern of development in Centers and Corridors, and you impose a social justice goal on top of that objective, you may discourage development overall. Land owners may not turn over the land for redevelopment and developers may go elsewhere.

Haven't land values in inner Portland been getting more expensive relative to the value of the building on the land?

What are you seeing from other examples nationally that have used a reduction in entitlement?

It is hard to find good national comparisons that are similar in growth rate, geography, and density that have used this method.

It seems like smaller developments would find these bonuses onerous and opt out. Is there a separate simplified bonus system that could be applied to lots under a certain number of square feet?

Affordable Housing Bonus

Can we tie the affordable housing bonus to section 8 or project based vouchers? These are existing tools that work well.



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The FAR bonus for affordable housing looks like it does not work without tax abatements.

This bonus may be viable with slightly different requirements, for example, 10 percent of units (instead of 20 percent) at 60 percent median family income. Moreover, it appears viable for affordable housing at 80 percent median family income in the inner neighborhoods.

Did you refer to actual developments using LIHTC and MULTE to build these models? Because these programs are complex and administrative costs are high it is unlikely that private developers would use these models. If you wanted to embed affordable housing into a building there are much better ways.

Any programs incentivizing affordable housing in close in urban areas must be simple enough to work quickly in a market environment where closing happens within 60 days due to the competitive nature of urban land.

Should we be making a 20 year plan based on the MULTE program? What if it is not there anymore in ten years?

We plan to recalibrate the bonuses so they are less dependent on the MULTE program.

What is the intent of the affordable housing policy and how does it relate to mixed use zones?

The policy is to incentivize affordable housing in amenity rich areas. It will not be the only tool used to close the gap in affordable housing in Portland. It also hopes to engage the private sector in the affordable housing solution. One reason we are doing this analysis is to see if we can make the economics work to supply affordable housing without dampening development. We are looking at tweaking our percentages of required units to see if the economics work out.

What about our other policy goals? Especially our goals for outer pattern areas too. We want to retrofit our outer pattern areas to improve our transportation infrastructure and it looks like we have not developed any tools to achieve this.

The bonus mechanism for affordable housing constrains the density in the mixed use zones all for a bonus that is likely to not work well.

We have some real world example of the Pearl and the Waterfront missing affordable housing targets. What can we learn from those areas?



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Places like San Francisco reduced their by right entitlements and did not get the affordable housing they wanted and now have a constrained supply of all housing driving up costs for everyone.

Have we considered land banking for affordable housing in or near the inner mixed use zones?

How is the market responding to the base FAR you have set? Maybe we should be setting the FARs lower so that they reflect a realistic level of economic activity and our bonus FAR could be an even larger increment.

Can we measure the impacts on affordability that is created by simply allowing more units to be developed? Increase supply lower costs.

Can we look at incentives other than FAR for East Portland because they obviously will not impact that community in a positive way. How can we encourage development and business in East Portland?

Upzoning existing residential properties that are already providing affordable housing like a subdivided old house or a house share and replacing them with expensive housing that is not family friendly is counter to our affordability goals.

Affordable Commercial Bonus

Did you find the affordable commercial bonus to be economically viable?

Yes, but we are still contemplating how to administer such a bonus, including working with a non-profit organization.

Venture Portland is probably not interested in administering this bonus.

How do you determine what type of business? How long can they stay? Can we just incentivize size instead?

Incentives should protect existing older buildings that serve as startup spaces.

The general public does not understand how expensive it is for a developer to build these buildings; those costs are passed along to tenants just to break even.

Historic Preservation Bonus

This bonus seems economically viable and I support it.



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Don't limit it to historic properties.

Is there a maximum extent/distance for transfer sites? How far you can give?
We are working on this – folks would like this to be proximate.

What about limiting the bonus to that Center or in that Corridor

There are not a lot of historic areas in town and they are all in inner Portland.

Green Features Bonus

Why is the green building bonus TBD, it seems like one of the most applicable?

Citywide we are exploring how we think about green and what we want out of it.

Presentation on Architectural Models – David Hyman, Shem Harding, DECA Architecture

Full presentation available here (scroll to correct presentation):

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Model 3A

It looks like the FAR restrictions are creating empty space to fill with parking. This is bad for the neighborhood because if you have a dedicated parking space you are more likely to drive.

Alternatively, dedicated parking can make you less likely to drive because you don't have to move your car every 24 hours like you would on the street.

Model 3B

Clarification that ROW includes street and sidewalk. The most common two lane street configuration is 60 feet with larger streets coming in at 80 feet.

It makes a big difference how much sidewalk is available to pedestrians. In that way the six foot setback (depending on what is in the setback) adds to the pedestrian experience.

This setback may not do much for scale. Other treatments may need to be used.

These models look very flat with no articulation.



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I'm worried that this (*set building back option*) does not address the overwhelming concern about four story buildings. I do not think the public will feel that they have gotten the three stories scale they are requesting just because we pushed a building back six feet.

The narrower a street the nicer it feels to pedestrians. I do not want to set back the building from the right of way because it could detract from the pedestrian experience.

I think the step backs and the setbacks are good responses to concerns about the canyon effect.

Measure to the roof rather than the parapet to increase variety of roofline.

Not sure I like the six foot setback, how does it play out on a street with other buildings built to the property line. How do you activate the space?

Articulation will matter a lot.

In Amsterdam everything is four to five stories and everyone loves it because of the amazing amount of texture. It is beautiful and livable because of the design.

Which tools should we be pursuing with zoning v. design review v. role of architects and developers? Some goals might not be appropriate to pursue through zoning.

The future of a car free city lends itself to really different design. If you don't have to protect yourself from a busy street filled with fast cars appropriate setbacks and sidewalk widths change.

Overall these are helpful models and we should not focus too much on making perfect models instead of discussing whether they achieve policy objectives etc.

Street orientation matters a lot here because our corridors are oriented E-W and therefore solar access matters more.

Bill Tripp's models show that even four stories does not limit light on the opposite side of the street on a 60 foot corridor.

Height really matters to nearby neighbors and impacts light.

Model 5A

Outer areas that have large sites like this end up relying on surface parking because they can't charge for parking in that market and can't afford a garage in that market.



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This looks suburban, this site should be broken up into streets and pedestrian connections. We should be incentivizing developers to put streets into the outer sites.

Model 7B

You could potentially get a zero parking requirement for office uses due to certain plan areas or frequent service transit streets.

Public Comment

Note that we lost most of the public and many of the PAC members due to the lateness of the meeting.

- When we think about comparing ourselves to other cities we need to remember that people struggle with change. We should use cities with comparable baseline densities that are experiencing similar rates of change.

Tabled until next meeting:

Discuss Design and Use Parameters – BPS Staff

- Street-Level Design
- Façade Articulation
- Full Block Transitions
- Pattern Area Approach

6:30 PM Adjourn