



Bureau of Planning and Sustainability
Innovation. Collaboration. Practical Solutions.

Mixed Use Zones Project

Advisory Committee (PAC) Notes

Page | 1

Date: March 18, 2015

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

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

Project Staff in Attendance: Barry Manning, Bill Cunningham, Samantha Petty, Tyler Bump (BPS); Deb Meihoff (Facilitator)

PAC Members in Attendance: Jason Barnstead-Long, Lori Boisen, Timothy Brunner, Eric Cress, Brendon Haggerty, Damien Hall, Michael Hayes, Heather Hoell, Duane Hunting, Sarah Iannarone, Lauren Jones, Doug Klotz, Charlotte Larson, Dennis Petrequin, Cora Potter, Vicki Skryha, Mike Warwick

Public (12)

Meeting Goals: Review and Discuss Key Outstanding Elements of Revised Zoning Concept

Welcome and Introductions

PAC Process Updates and Feedback

Meeting notes

- Are available in printed form and online

Project Update, Schedule, and Overview

- MUZ Concept Report – aiming to have it out in April, may not be ready for review from the PAC before public release.
- Public outreach to business and neighborhood associations is ongoing.
- The MUZP is still on target for summer council hearings, though the timeline is tight.

Other/Announcements

- There are upcoming Comp Plan meetings and work sessions that PAC members may want to attend. Learn more <https://www.portlandoregon.gov/bps/57352>

Recap of Concept Info Sessions, Open House



City of Portland, Oregon | Bureau of Planning and Sustainability | www.portlandonline.com/bps
1900 SW 4th Avenue, Suite 7100, Portland, OR 97201 | phone: 503-823-7700 | fax: 503-823-7800 | tty: 503-823-6868

Printed on 100% post-consumer waste recycled paper.



Bureau of Planning and Sustainability

Innovation. Collaboration. Practical Solutions.

- MUZP held two public information sessions downtown on Feb 25 and Feb 26, a separate session was held for businesses at Venture Portland on Mar 9 followed by another public session at Cleveland High School on Mar 10. Collectively 100 people attended these sessions. Participants were given the opportunity to complete a feedback [survey](#). Forty six surveys were returned. The surveys indicated divergent opinions about building scale, pattern area standards, and bonuses, and strong support for a focus on the ground floor pedestrian experience, expanded neighborhood notification requirements, core area requirements, and shared parking. A full summary of the information sessions will be available at a later date.
- Next Steps - Zoning Concept being finalized in March, first draft text of code expected to be available at April PAC meeting.

Page | 2

Building Floor Area Ratios

Findings of additional economic analysis

- Based on PAC concerns about capacity and growth we asked Johnson Economics to do some extra work to figure out a base and bonus FARs that made it equally attractive for developers to take the bonus while maintaining residual land values and growth capacity with the base FAR.
- We also worked with the Central City bonus project to coordinate our strategies.
- We are considering bonuses for 60 percent – 80 percent median family income. Sixty percent for a family of four is around \$42,000 a year, generally speaking these are households with earned income.
- Approaches being considered:
 - CM1 Zone: Base FAR 1.5:1; Bonus FAR 2.5:1
 - CM2 Zone: Alt 1: Base FAR 2.25:1, Bonus FAR 3.8:1; Alt 2 Base FAR 2.5:1, Bonus FAR 4.1
 - CM3 zone: Base FAR 3:1; Bonus FAR 5:1

PAC feedback and questions – *staff responses in italics*

Do these economic numbers for residual land values include MULTE subsidies?

They do not

What is the time length of the affordability commitment?

This is not firm yet, for Central City we are thinking about 60 yrs. We are both looking at short (15 yr.) and long term options.

A step back after the 3rd floor is going to push you into a more expensive housing type, this works against the affordable housing bonus.

We will touch on this in next discussion item

What happens if the inclusionary housing bill passes?

This research helps prepare us for the passage of that bill.

This new FAR structure offers little distinction between CM2 and CM3 – why are FAR numbers so close?





Bureau of Planning and Sustainability

Innovation. Collaboration. Practical Solutions.

The CM2 replaces the CS and other medium size C-zones; the CM3 replaces EX and CX. The current commercial zones don't count residential use in FAR, so they are only limited by height and setbacks for residential use. The CS has a 3:1 FAR and allows 45' height. The EX counts residential in its 3:1 FAR, but allows 65' height. In theory, more floor are could be allowed in CS than EX, which is somewhat counter to the height limit and intended scale. We are recalibrating to have small, medium and large sizes such that more development is allowed in larger zones than smaller ones. But, because of the amount of development currently allowed in the CS and CG zones, and PAC and stakeholder concerns regarding maintaining growth potential and redevelopment opportunities, the CM2 zone FARs are proposed at levels (2.25:1 or 2.5:1) that are calibrated between CM1 (1.5:1) and CM3 (3:1) while attempting to maintain significant capacity. The initial CM2 base FAR level was set at 2:1 but PAC members and other stakeholders were concerned that this amounted to too much of a reduction allowed area.

Page | 3

Consider using something other than units to calculate the amount of affordable housing provided for the bonus. This could work against those trying to also provide significant commercial space. One alternative would be a certain amount of square footage must be devoted to affordable housing.

Can you define capacity? Is it consistent with METRO's definition?

Capacity was determined by running assumptions through the city's Buildable Lands inventory and development/redevelopment model, which models development capacity assumptions based on assumptions about allowed floor area compared to current levels of property development. This is generally consistent with METRO's modelling.

Does this modeling take into account people's changing preferences about where they want to live?

Yes, there is an amenity factor included in the model to represent where people currently want to live.

Can you talk more about the jobs?

Overall, there is enough land capacity for job growth, the modelling is based on square footage per job for different job types.

Feedback from PAC on the direction of revisions:

Great economic analysis, but there is often a lot of push back from the neighborhood about compatibility. How will that be balanced? How will the district plans play out with this and what about historic districts?

One of the areas I am puzzling over is the MFI projections. Why are we using 4 person households as our measure and then providing a bonus for apartments that will probably be for 2-3 person households? We are looking at a shrinking household size and our typical household size will be 2.1.

The MFI household number was used for illustrative purposes. This will be addressed and calibrated in implementation.





Bureau of Planning and Sustainability

Innovation. Collaboration. Practical Solutions.

There are some places in the City that could probably use affordable housing and then there are places like the outer east side that already have a lot of affordable housing.

In fact this model shows that the bonus would currently only be used in the inner neighborhoods, but this bonus system does take into account that when the market changes in East Portland there will need to be safeguards against displacement.

Page | 4

If the goal is to get private market developers that have not been involved in affordable housing development to try creating affordable housing, is our bonus sufficient? Is just maintaining the residual land value enough to get someone to change their business model?

The current thinking is that we should test it and adjust if necessary. There is a bit of market incentive to do larger projects, and this may be enough to induce some developers to pursue the bonuses.

You could have a payment in-lieu option.

We are looking into this option too.

Can we help the for-profit and nonprofit developers work together?

Nonprofit developers did not foresee this happening to a great degree at this time.

Switch to percent of floor area footage rather than units for calculating the affordable housing bonus? Bathrooms and kitchens are expensive AND we need family sized units.

I am getting more comfortable with the concept.

Are we coordinating with the Climate Action Plan, thinking about design overlays, community pushback and other things that influence buildings? In reality all these things shape buildings as much as zoning.

I would like to differentiate between long term affordability and income diversity within the city. Some cities are overall expensive but have some very low income housing. Other cities have a lot of housing that is within reach of most people. You could push your model to higher residual land values to get affordable housing in wealthier areas.

I am liking this new direction. As you explore the in lieu fee try restricting it to certain areas.

Affordability is only one of the things we need to be incentivizing. This model does not work for East Portland.

We have talked a lot internally about East Portland. Just because the bonus is not currently attractive in East Portland does not mean development will not happen in that area. Good development types are still happening out there. The economics of the bonuses did not work well for development assumptions and building types that were priced in this modeling exercise – wood frame over concrete podium.





Bureau of Planning and Sustainability

Innovation. Collaboration. Practical Solutions.

To make east Portland work we need uses that employ people at above minimum wages, manufacturing, clinics, etc. For this to happen we need flexible zoning.

We are addressing this at the Comprehensive Plan level.

I am still uncomfortable with the social engineering concept behind this. An in-lieu fee should not be used to keep directing low-income housing into Northeast Portland. There is not the political will to do this.

Page | 5

I am still worried most of these bonuses won't be taken advantage of. Things like the plaza take away FAR just to get back FAR. I am still worried about capacity.

Public Comment on Building Floor Area Ratios

Affordable housing bonus should be based on 10% of FAR or percentage of units, you should tie it to FAR or making the units similar to the other units in the building.

There will need to be other incentives based on location like parking reductions in the inner city. Otherwise you won't get affordable housing in expensive areas.

Building Heights, Scale, Transitions

Staff discussed approaches to address building height and articulation on narrower streets (ROW less than 70 feet): step backs, articulation. Staff is considering making the 4th story step back on narrower right-of-ways an option for meeting façade articulation requirements, rather than a separate requirement.

Staff also reviewed a revised approach to height transitions to adjacent single dwelling residential zones

PAC feedback and questions – *staff responses in italics*

The increased glazing standards will greatly increase the perception of articulation for the pedestrian.

These requirements still allow 100 feet of blank wall which is a negative pedestrian experience. I liked the idea of stepping back the buildings ten feet on either side, this gives you room to have a better pedestrian space. It gives you room to plant a tree.

I think we need to focus on a positive pedestrian experience.

A six foot sidewalk is unfortunate. If there is a way to require wider sidewalks?

PBOT typically requires new buildings to meet the pedestrian development standards that call for 12-foot sidewalks. On occasion, this does not happen due to constraints or existing patterns.

If your fixed cost of building a building is too high you will only get development on bigger lots and you will not be able to get financing that will allow local businesses in your store.

The solar modelling is important to share with the Planning Commission and public.





Bureau of Planning and Sustainability

Innovation. Collaboration. Practical Solutions.

Combine that articulation and glazing diagrams to show how much that will affect the pedestrian experience.

I preferred the proposal that calls for stepping back the 4th story on narrow rights of way – this responds to community concerns. The new proposal only leaves this as an option.

Page | 6

I like the fourth floor setback as a façade articulation option.

I like this new more flexible approach, you are on the right track.

I think you are on the right path. I think a ten foot setback can do a lot to add to the pedestrian experience.

Public Comment

You want to allow enough flexibility for designers to create good design like similar to traditional European streetscapes. I think this combination of setback, setback, and façade articulation is the right direction. Maybe there is a way to take it further and add things like tables and awnings and other pedestrian features.

There are no cars in the pictures from Amsterdam staff showed to illustrate building height – show a more relevant example.

Tall buildings create a lot of shading - there needs to be sun to grow the street trees we want.

Adjourn

