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DRAFT Meeting Notes

Mixed Use Zones Project Advisory Committee (PAC)

Date: January 20, 2016

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

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

Meeting Goals: Share information and receive feedback on schedule changes, findings of the bonus analysis, and additional code and map changes being considered by staff

Committee and public comments in italics.

PAC Announcements and Feedback

MUZ Schedule pushed back: (Tentative schedule in materials)
Proposed draft will not be Feb 2nd, still resolving map and code. BPS, Council and PSC concerns about having many projects in air, and mixed use going to PSC overlapping with Comp plan. First public hearing to be after projected date of Council action on Comp Plan in April. PSC hearings May 10, May 17th. Work sessions June & July. Council hearing, Sept/Oct. Goal is to be wrapped up by year end. Effective date of regulations around 2018. No proposed draft today. One more final PAC meeting for proposed draft walk-through.

Is Feb 17th the last PAC meeting?
BPS: either 2/17 or 3/16. Depends on draft date. One more meeting to inform PAC and answer questions on draft. Will keep in loop via email.

Public Comments on Discussion Draft
BPS: At the last meeting there were 2 summaries of feedback: topic-based summary of comments and a summary spreadsheet that was intended as staff tool for sorting through and understanding comments; it was shared with committee to share the volume and scope of comments. There were concerns that staff had edited the comments because the summaries were not verbatim. BPS believes this is a misunderstanding, but wants to be transparent so all comments are posted online in Discussion Draft section of MUZ website. Printed copies are available today.

Bonus Study Presentation

Mike Wilkerson introduced from EcoNW

See presentation: http://www.portlandoregon.gov/bps/article/562090

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BPS reviews the development of the MUZ proposal project:

- Reviewed policies in comp plan.
- Community feedback about scale and neighborhood compatibility issues.
- Roundtable feedback w/ developers, business, affordable housing providers - need financially viable options; public goods/amenities may be achieved through bonuses, but they need to be attractive. Long list of original bonus outcomes.
- Created four new zones; prototype modeled by DECA and financial analysis performed by Johnson Economics (JE)
- FAR and bonuses evolved in response to capacity issues and to optimize.
- Additional EcoNW testing done to test viability, take-up and lead to calibration.

Previous modeling: Prototype models were made for the bonuses. Bonuses more viable for 80% MFI. About 10% of overall units. Probably only viable inner areas. Concern in PAC about capacity. Asked JE for more economic work and revised FAR to up bonus and base both.

B**onus proposal:** Affordable housing as stated city's priority. Require 25% of units above base FAR, earn up to 100% of FAR bonus. 50% of bonus FAR available for Affordable Commercial, Plaza, and Green Building (dropped landscaping, as is not a required option).

EcoNW Presentation:

Evaluation of MUZ bonus. Questions (on slide) included how bonuses interact w/ market, variation by geography. How to optimize policy?

Analytic approach:

- JE used standard prototype. Lot size matters in EcoNW model. Variables included rent, CAP rate, and construction costs. Built scalable prototype. Market conditions. Plaza changes footprint. Scalable model constrained by zoning. 4 million permutations. All options permissible in code and selected highest rate of return.
- Assumptions in analysis are for the *current* market. Market has already changed since last study. Construction costs at $110/sf in old study. $165/sq. ft. in new study. Rents have come up somewhat. Construction cost is biggest change.
- Looked at the best case for bonuses. If they don't work in best case, they won't work.
- Financial feasibility for Return on Cost (net operating income/construction cost). 4.5% CAP. Profit margin 1.5% (margin close to JE assumptions). CAP rate defined as operating income/value property. As CAP rate increases, value increases. 4.5% CAP is lower assumption than Johnson.
- Factored in parking. Varied rents.
- Understanding land values is key. Residual land value = what developer can pay and achieve 6% ROC (return on cost). Looked at land costs in city.

What's driving construction cost? Material? Labor?

EcoNW: materials, yes, but mostly scarcity of labor. Last cycle, lost a lot of construction industry so they can ask for higher prices.

Market typologies:

- Rent/sq. ft. changes. Looked at # of new units/acre since 2014 to ground-truth the model. (Reference map in slideshow) Red areas show highest rent/sq. ft. 8.5% rent increase. Green areas, lower: rents closer to $1/sq. ft. Shows financial incentive for bonuses.
- Compared accuracy of model to what's been built recently. Map shows much in Pearl, St Johns, Williams, inner east side, Sellwood.

Simple scenario: (no retail, no parking)

- Look at residual land value. Anything below 0, rents won't pay for land. Slopes of chart show how attractive adding density is. Higher slope indicates more incentive for FAR.
    - Rent at 1.90 doesn't pay for land in this model.
    - $2.50 rent creates positive residual, but low incentive for more density.
    - $3.25 (which is high, but not out of our market): incentive for density is increasingly profitable. In the Pearl, that works.

Why did you use $150/sq. ft. as cost even though you said $165?
EcoNW: rough approx. For this case, $150 is within range of variable.

- Hard construction costs drive feasibility, followed by CAP rate. For rents at 2.75, not a lot of incentive for more FAR. We're looking for a very specific set of market conditions where this bonus will be an incentive.

Are construction costs so huge a factor, almost nothing else gets close?
EcoNW: if rent is constant, yes. Rents are increasing, but not as much as construction costs.

What about interactions between density and rent? How does parking interact?
EcoNW: Parking decreases financial feasibility. Structured vs. surface parking is another variable.

Did you look at long term nominal cap rate? This isn't a normal environment.
EcoNW: we went higher than six to look at that. Developers will look at CAP rates differently. Some are more sensitive to long-term than short term. Changing CAP rates will impact the findings.

Well, this is long-term policy. Affordable housing crisis now is because there was no building for a while.
EcoNW: Need sensitivity analysis to understand the diff environments. Will findings hold, or no? Trying to get input today.

[Referring to slide printout]: Is the $1.89/sq. ft. the rent median for city?
EcoNW: Yes. Shows up on the map showing A, B, C, D areas of city. New construction is very different than existing product. New construction is higher than $1.90

Are ADUs-more economical for creating a unit?
EcoNW: not part of this analysis

Affordable Housing Bonus:
Modeled trade-offs. Affordable At 60/80/100% Median Family Income (MFI).

For this part, looked at 10k sq. ft. lots. Using $2.75 as best case for rent.
BPS: 20% commercial is required in areas with main street overlay, so it's that scenario.

EcoNW: Shows chart with residual land value vs. attractiveness of bonuses. If residual value is greater than break-even, there is incentive to take bonus. If not, will build at base and have better financial returns. Break-even point shown in dotted line.

For CM1:

- 100% MFI: some incentive for bonus. Not huge.
- 80% MFI: no incentive for bonus
- 60% MFI: even less incentive

For CM2:

- At 80% MFI: financial incentive to use bonus, but not if using all the bonus. 50% of bonus usage. After 50%, developer would hit parking issues and need structured parking. Would be more motivated for height.

How would you say that in built form way? 50% equals what?
EcoNW: 50% is FAR…7500 extra sq. ft. in this scenario, an extra floor.

A 5th floor?
BPS: 5th story is proposed to be available in select areas with design overlay

But are you cutting capacity for even getting this by not having 5th floor?
BPS: Analysis is showing that FAR isn't necessarily the limiting factor but is parking is a factor. Parking causes them to stop building.

What about the type of construction?
EcoNW: not in this case because type of construction is driven by height. Same cost/ sq. ft.

But parking is per unit. If they built big units, it would be ok
EcoNW: Did not change size of units in model. Assumed average 850 sq. ft. /unit. Then knocked down to 650 sq. ft. to look at trade-offs of parking required for largest units. Unit size and parking are connected levers.

For CM3:

- Lands in between CM1 and CM2 in terms of incentive. Some incentive at 80% MFI
- Developer would take up to 50% bonus (FAR 4:1), but after that it's not efficient.

Does this have implications for size of bonus? Is the amount of FAR too much?
EcoNW: get to that after looking at other bonuses and combo.
BPS: Base level is another question.

Do we prefer affordable housing in CM3, good transit areas? If I'm getting take-up in CM2, is that where we want affordable housing?
BPS: CM2 is the most widely applied zone we have. On corridors, main streets. Take-up in CM2 is beneficial. CM3 would be good too, but take up seems to decline – possibly because of parking requirements

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PLAZA BONUS
1 ft. plaza/5ft bonus

- Mixed results.
- CM1 – incentive and preferred to residential
- CM2 - incentive and preferred to residential
- CM3 – incentive, but indifferent to residential

Preferred as in more financial gain?
EcoNW: yes.

CM3 is the biggest, so that's interesting that plaza is not the most desirable bonus there.
EcoNW: FAR is 5:1, so 5ft gain for each 1 ft. of ground space doesn't have a net gain.

Affordable Commercial Bonus

- 75% of market rent assumed.
- CM1 - no incentive on 10K lots; on 40k lots there is incentive; preferred to residential.
- CM2 – some incentive, but not preferred to residential.
- CM3 – no incentive

This considers affordability as only rent, not size of unit
EcoNW: There are lots of specifications in model. How to monetize? Just discounted?

Were tenant improvements factored?
EcoNW: yes

Tenants needing affordable commercial can't afford needed improvements
EcoNW: assumed in developer's cost

What about standard vs. custom?
EcoNW: most improvements will be covered in tenant allowance

So, the plaza bonus is preferred, but does that create a reduction in units overall?
EcoNW: in CM1 and CM2, you get more FAR though. In CM3, there is no impact. The main reason why the bonus is attractive is that you don't lose market rate housing.

How to administer affordable commercial? Is it over life of building?
BPS: we are still wrestling with that.

LEED Bonus
No incentive in any CM zone or lot size.

- No consensus in development community about costs of LEED Platinum. Varies by project. Picked a scenario. Fixed fee for LEED plus increased hard costs. Some developers will say there's no increase if already sourcing. At a 5% increase in costs, there is no incentive. Worse for small lots, but even large lots. At 0% fee, still probably not.

BPS: Is it because construction costs are higher?
EcoNW: yes, and no appreciable return.

Doesn't it cut down on operating costs?
EcoNW: Yes, but that mostly passes to tenant, not developer.

BONUS UTILIZATION
Looked the top 25 prototypes for each zone, and took average of best outcomes. Developers would not necessarily analyze these the way they were done for this study.

CM1: In the CM1 10k lot, a developer would be inclined to use all of the plaza bonus first, a little housing and commercial. Decrease with up zone. Less incentive for FAR bonus with bigger zones. Less incentive on smaller lots.

Put another way, in the bigger zone, CM3, we'll see very little 5-story buildings?
EcoNW: will see five, just not six.

So bonuses aren't working to achieve greater density though. The grand compromise was supposed to be that we would bonus our way to growth. We're hearing that's not going to work.
BPS: based on this study, it looks like the bonuses are not as attractive as we had initially thought they might be.

EcoNW: And looking at affordable housing units, you average about 4 for a building. With administrative costs and other considerations by sale, may be unlikely to see it used. Will come down to developer preferences.

The maximum number of affordable units in these scenarios is four?
EcoNW: Four is the average. Could get up to 10, but more often 0 or 2. That average is taken from the top 25 best.

This assumes no public subsidy?
EcoNW: Yes

BONUS SUMMARY
Financial incentives are somewhat limited. They may be depend on timing of development cycle. High construction costs may not make them attractive at this time.

- Bonuses work best with high rent, low land cost, like St Johns.
- Bonuses also work where FAR doesn't trigger parking too, like CM1. Or bonus doesn't take us to structured parking.
- Works better on 10k lots than 40k lots. Can do multiple bonuses.

What about administration and resale for developer?
EcoNW: Administration for 1-4 units of affordable housing is an upfront cost and has implications for resale. Changing the bonus structure (ratios/relationships) could change everything we looked at. Parking reductions, tax abatement, etc. would increase take-up. Need to understand costs.

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BPS: Given this, we have options to think about.

1. Adjust bonus values to optimize results
   - Affordable housing – set viable MFI level
   - Plaza/open space – recalibrate or eliminate
   - Affordable commercial – recalibrate or eliminate
   - Green building – recalibrate or eliminate
2. Fee in lieu • consider for small increments of affordable housing bonus
3. Parking requirements • consider changes for affordable or bonus units
4. Other - reconsider FAR structure

This analysis calls the (FAR structure) work into question. PHB called for exempting low-income housing from parking requirements-- could they mean this too? Reducing parking sounds like it would make the bonus more powerful. Consider capacity of areas where developer able to build and people able to take transit (Inner ring).

Construction cost is the killer, especially vs. previous modeling. What was the time difference in studies? Think costs will keep going up? Is slowing code adoption going past the point where bonuses will work? Also, thought green building features were wanting to move beyond LEED. Where did LEED come in?

BPS: Got feedback that Comp Plan calls for greening of environment, and MUZ didn't emphasize that enough. We are reconsidering requiring on-site green features/options. Therefore, removed landscaping from green features bonus. BPS suggests LEED Platinum standard, as it's a higher bar. Thought LEED would have worked out better as incentive.

EcoNW: LEED is difficult to understand costs. Not just what we model, but developers' perception of costs. Different results in model than reality.
BPS: We have now measured two points in economic cycle. We don't know where we are in the cycle, but things will cycle. Certain times will be more challenging than others. Costs may come down in next recession, or rents may go up.

Skeptical of reducing FAR by-right. Sensitivity of tool vs policy objective. Couple with other triggers. An in-lieu fee may be the way to adapt to changing cycles. Get ranges of chart. Costs of Interstate and Mississippi. Won't stay consistent. Couple with other incentives. Things will change. In lieu fee may get triggered in those small lots. Set a floor.

BPS: that makes sense

Echo skepticism about reconsidering FAR. Changing parking seems most effective to impact the take up/outcome. Question—how does it all change if we get an inclusionary zoning ordinance?

BPS: Don't know on latter point. Will be resolved in next two months. Project is on track for May PSC hearings.

Thanks EcoNW for work. Likes BPS questions. For parking, can't just hope parking demand will go down -- parking study doesn't indicate that. We keep adding density in smaller/fixed areas. Maybe some MU buildings should have income-producing parking? Take pressure off neighborhood.

BPS: We are proposing making commercial parking more available in all these zones

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BPS: model is simplified, but code allows shared/commercial parking. Builders might buy shared parking instead of going underground.

We have to price on-street parking.

It's too nuanced of process to handle commercial leasing and this build-out. Is there another agency who should do affordable commercial? A savings of 25% won't make or break someone. The biggest barrier is access to capital. Developers underestimate tenant budget. Business owners need reserves, retail inventory. Some tenants come to table with $0 in resources. Who will close gap?

The tool is finicky. It needs to robust enough to adapt and be more about city we want to be vs. corridors that are hot now. These tools aren't working to get us there across city. Not wanting to accept base zone in diminished entitlement. Maybe with something with parking, in lieu. Especially as we grow and get more expensive.
BPS: caution about ability to change base zoning and parking now

If the plaza bonus works, it can carve out livable space in community. Agree that economy cycles. Costs are high now, but that's not a permanent situation. At some point people can't pay that. Opportunities to broaden residential areas outside more competitive portions. Resist playing with base FAR to up incentive. Base FAR figures are compatible with existing neighborhoods. Bonuses are designed to up density while incorporating desirable elements. Still like that concept. Affordable housing was optimistic, but that's almost always done under tax abatements, financing incentives, subsidies. Don't be disappointed with lack of producing affordable housing under market conditions. Hold to concepts that will produce desirable community results.

Construction costs -- $110 was too low for first model. Costs were more than that. Today, $155 is still a maybe. Current Pro-formas much more than that. Stress thinking long-term. We're at a high point in cycle. Think of a more normal environment with less liquidity. Our buildings are mostly LEED. Seeing CAP rate compression due to LEED. Was important to buyers. Reduces operating costs. Hard to model, but we'd take advantage of any incentive. It would make it that much easier. Parking is expensive. Reducing requirements might not help— many are exceeding required parking because of marketing purposes. Congestion in parking. So even if reduced the requirement, still might need. Maybe exempt the affordable units. Allowing commercial parking garages might help. Subsidized parking is problem because developers won't build the parking.

Parking study on apartments w/o parking showed 8-10% downshift in car ownership rate between buildings. People viewed as failure, but I thought 8-10% difference was good, that there was a difference at all.

Were the 3 different pattern area geographies in city taken into account?
BPS: yes, but not that relevant because the basic economics don't work in some areas.

Code and Map Issues
BPS staff/District liaisons modifying map from conversion table. The following are being considered:

- Adjustments in CM1 zone with existing auto uses. May be CE changes there.

- Received comments from retail, shopping interests that code is too aggressive with pedestrian-oriented design, not enough auto/large format areas. Looking at sites especially in East and outer west where the proposal is too aggressive with CM2. Some areas may be better with CE. No settlement yet.
- Industrial/employment caught in EX/CM3 conversions and CO2 conversion. Making adjustments for more office or employment development where already established. Examples include Adidas, Sylvan.
- Low-rise commercial storefronts. Neighborhood feedback is that the CM2 zone is too intense/large and inconsistent with area. BPS currently considering an option to address this – this is the next topic.

One neighborhood made these comments extensively – did others?

BPS: Yes. Not just Mixed Use draft comments, but considering testimony at Council too.

BPS is looking at possible proposal in areas where there is a vintage/historic/established commercial area of low-rise buildings. Concern about breaking up form. This is pursuing a form and architectural approach. Economic approach: many main streets are successful places and that's an economic resource. We looked to see where does that exist in the city?

Criteria related to low-rise storefronts strategy:
- Concentrations of 1-2-3 story streetcar area. 2-4 blocks in length, generally unbroken. Not looking at isolated buildings.
- Looking at areas generally within neighborhood centers. There is precedent for CM1 outside of centers already.
- Historic Resource Inventory, with caveat that East Portland, other areas of town, are under-inventoried
- Multnomah Village most vocal about this issue. Similar situations may exist in NE Alberta. 67th/Sandy, Parkrose. 28th/Burnside. Belmont/33rd, Hawthorne 35th/38th. Division 35th/37th. 63rd-67th/Foster. Montavilla (stark) Woodstock/47th. Sellwood 13th Ave. Milwaukie/Bybee. Beaumont Village, 52nd/Sandy, East of 50th on Hawthorne (the last few are not centers, but came up).
- 2-4-6 block stretches.

Hawthorne as example.
Discussion point: Should BPS lower height/massing in core historic commercial areas to reduce incentives for larger redevelopment in these core areas? Core area of center would have lower massing, built up around them. Then step down at edges again. Would still be stretches with higher density options. The idea started from specific testimony, but from planning perspective, need to be consistent with like situations.

This is about making adjustments to the zoning map to address issue. Or code. Recognize there are other historic preservation tools to address this, For example, Mississippi Ave has historic district applied. However, this is not applied consistently. But that is another option to consider.

Other factors being considered: Restrict height, but not FAR. **I**f BPS just applied CM1 with its lower FAR, owners can't use TDR as much. Could reduce height, but not FAR to match base of CM2. **A**nother option, because they're in the commercial core, not to limit retail size or lot coverage. It's essentially a small scale existing storefront zoning

BPS: So, should our zoning map respond?

I commend this approach. I asked Council for this. Live in Sellwood. 10 block area of streetcar era buildings. One exception with great setbacks. 1-2 years ago, bulkier buildings came in. It is a N/S street so sun is an issue. Height/bulk important to environment quality. Buildings are CM1 type. Design overlay or some other tools also needed. Has no design overlay or neighborhood plan. Need some sort of tool.

Commend focus on this. Preserve strips. Don't like TDR. Hasn't been used that often. The TDR is incentivizing buildings that don't fit context. Why put it out there as a tool?

Building at Prescott and Interstate Ave purchased development rights. Location was good and preserved historic property.

But if you expand TDR…

BPS: TDR sending sites are still limited to sites that are landmarks. These sites would be eligible. Small increment is eligible.

I have examples where transfer created a huge difference. Super large buildings.

[Referring to map of Hawthorne] Understand value and interest of historic, attractiveness. But, I'm thinking just for this area. Think value of scaling down at intersections would be great. "Older main street core" left of intersection should extend to intersection.

The proposal did not designate the areas under consideration for the low-rise areas just by age. Also, we only looked at neighborhood centers. Not town centers, which are expected to grow. That's why St Johns, Hollywood and some others don't show up on the list.

I hang out in Multnomah Village. If it ain't broken, don't fix it. Greed can change area. On incentive programs, I'm shell shocked. I thought it would work better. Maybe we have to do in-lieu. I hate to see buildings get stigma of ghetto. Want integrated income housing. Don't want to eliminate parking requirements. Just because you have 70% of MFI doesn't mean you don't have a car.

Some of these are corridors and centers in the Metro 2040 plan, which is designed to keep density out of the entire neighborhood. So where is the density going to go if we are taking more area out of calculation? People in Portland don't build to full entitlement. Already challenging idea that so much growth will fit in centers/corridors.

BPS: We ran the Building Lands Inventory (BLI) against these areas where we are considering a new tool. About 1000 housing units are in play compared to the existing proposal.

Echo parking. Be holistic even if we simplify. Plazas and human health and trees are important. But balance where people are going to live. If we spread out, that's more driving, more parking. But limited to these places, it's probably a good thing to look at.

I live south of Hawthorne. Would be personally effected by tall building, but don't see the need to limit. Lived near Dixie Mattress Co. Don't stifle ability to redevelop buildings under future market conditions. How does this square with climate goals?

Not a fan of this approach. This conversation was around density in centers/corridors. Most of these spots are in the hottest inner neighborhoods. Hurting for additional housing. Concerned about Sandy in and out of Parkrose. Those are wider streets. Ripe for largest development. This is artificially lowering height requirements on wider streets. In Multnomah Village, it's narrow, I see that. Not Hawthorne. It's not requiring buildings to be changed to rezone. Could stay as they are as long as current owner want them to. Changing zone doesn't change the building stock.

BPS: You suggest we consider width of street?
Yes. That feels like the underpinning. Some neighborhoods are just in disagreement.

For long-term demands, it is a mistake to downgrade zoning. Market is taking care of preserving and renovating these nice buildings. Will sell high. Maybe in 20-30 years if someone does want to tear it down, better it become housing. Approach is overkill.

Have to balance. We have housing need, walkability, climate change goals, 20-minute neighborhoods, etc. 1000 units is not a lot, but if it creeped up, that's an issue. City-subsidized parking is issue. If everyone paid market rate for parking: parking solved. Could have hardship program.

BPS: We need to know more about whether one-story areas are threatened by current zoning. Maybe it doesn't make financial sense to tear it down? Particularly with a successful lease.
Would agree, unless it's a single-family home lot. If the 1st story commercial requirement in place, and it's already leased, it won't be torn down

Look at Mississippi. New construction works next to old renovated buildings.

EcoNW showed residual value. Leased properties are worth more than residual value except in the Pearl.

I love these places, but zoning is not the right tool. Put onus on historic process. We have the tools. Establishing precedent that we downzone to preserve 1-story buildings is bad. People like these places, but we can replicate retail continuity, nice environment, while meeting density goals. Use the tools we have. Get historic designation for historic properties.

Echo previous. Historic properties should be inventoried. There's a difference b/w historic and character. Mississippi does that well with new tall and old. St Johns has 10 blocks but is town center. Where else would development go? Development is going to happen only if one can tear down, remodel on top, etc. If it's going with this or not, I wouldn't go with it.

Echo two previous. Not the right approach. If we downzone these corridors, we have to make up for it, put it somewhere else. Growth scenario - need to put people where they won't use single-occupancy vehicles. These are the areas where we need to concentrate the density. If needs to be national register (city's register is lame), then use that tool. Can't afford to preserve 1-story shape.

Public Comments

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From Beaumont-Wilshire. Want zone in between CM1 and CM2. Neighborhood doesn't have infrastructure for CM2. Spotty bus service. No proposed TriMet changes. Bus service in other areas, he doesn't know. Core commercial street (Fremont) is tight for buses. Not appropriate for full CM2. CM1 zoning doesn't freeze anything. Not wanting to freeze – just limit to 3-story. We've seen that developed. And doesn't like 4-story. Lots of problems, lawsuits. Favor in-between zone.

Division Design Initiative. Preserve character and accommodate growth. Like proposed strategy to buy time. Historic preservation tools don't work well. Onerous. Expensive. HRI dates to 1986. Easy to remove. Demolition. Not all neighborhoods should look alike. Have sense of what happened across decades. Not just buildings. With historic significance. Form gives ethos of place. Will sit down to place missing middle. ADUs. Will explore more. Not just spreading out in single-family neighborhoods without design. Gets rid of waste of energy of people fighting for what they want to keep. Then sit down to see where fit people. Fighting each other is waste. Won't fall short of climate goals. Hawthorne Business Association—they would be excited to see this proposal. Not liking loss of things that are there. Mix of buildings gives better economy.

PAC Member: *Unreinforced masonry? Seismically renovating may be unaffordable. Big earthquake. How effect gentrification?*

Sellwood. Echo Division-Design. Character, we don't have a metric. Historical significance of one building can be high, wrong metric. None of those buildings were built with historic significance in mind, just character of corridors in aggregate. Parking: don't have it in isolation of public transit conversation. Orange Line is success, but MAX can be far from height. People choose not to take transit. Rain shelters. Invest in transit. I don't know why Portland is famous for transportation. That will do more to reduce parking demand.

Follow-up PAC discussion – last thoughts
Venture Portland announcement. Party.

Any work on different areas around loss created by change zoning. What we lose, where we put it. If small %, and could work with neighborhoods where to put it. Trade-off conversation by neighborhood.

Sunset Magazine named Sellwood runner up as best neighborhood. Character. Comfortable look. Good services. Don't throw away. Multnomah Village is a 100-year-old neighborhood. Development can take place but overall character not disrupted. Not freezing in place. Give tools to enhance.

Plan districts that limit height…how is that being resolved with zoning?

BPS: plan districts usually allow more development. For instance in Hollywood, the plan allow more than base zoning. Haven't fully resolved. Staff will bring to planning commission to show anomalies. Staff not proposing to adjust height limits of plan districts, but need to sync up FAR.

Don't let it come down to PSC. Leave area plan. Cyclery in St Johns area. 2-3 story character mentioned in plans.

BPS: Yes, the plan may call for 2-3 stories, but the zoning allows 4 stories.

Conflict at PSC still concerns him

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If get we can get density in core and price on-street parking, that addresses parking. You need density for transit. Transit won't be planned for when there's no density coming. Most of these neighborhoods already have good transit. Hawthorne has some of the best. Preserve character? 1-story is common characteristic from 1910 retail districts. Don't need to preserve all. Not that special. All that era. Building by building

What is character? Building, or your interaction in the building? Accomplish the latter - upper floors don't effect that.