

Decision Table Q: Bonus and Transfer Amendments, Part 1

This table highlights and responds to diverse public testimony and recent City Council decisions on Inclusionary Zoning as it relates to Bonus Options and Floor Area Ratio (FAR) transfers and incentives. Specific topics covered are:

- Transfer of FAR in historic districts and a FAR incentive for structured parking;
- New bonus options for building worker wages, on-site open areas with trees, and a Willamette River Restoration Fund;
- Retention of existing bonuses, e.g. Percent for Art;
- Expansion of Riverfront Open Space Bonus for River Access; and
- Changes to the Industrial Bonus option.

Contents of Decision Packet Q:

- Decision Table Q

Items Marked for Discussion:

- Q6

Ref #	Comment	Commenter(s)	Topic	Proposed draft	Request(s)	Staff recommendation	Staff rationale	Discuss?	PSC decision
Q1	20324	BDS Staff	Limits on additional floor area in historic districts	Reference: Volume 2A: Part 1 Central City Plan District, p. 49 & p. 65 33.510.200.D.2: States that floor area may not be transferred to sites zoned RX along the south Park blocks. 33.510.205.D.1.c: States that eligible sites to receive floor area must be zoned RH, RX, CX or EX and be within the Central City Plan District.	Transfer of FAR is prohibited along the South Park Block frontages – why can it not be prohibited within historic districts? The ability to transfer more FAR into historic districts will result in oversized buildings being proposed and staff and the Historic Landmarks Commission will have to continue to argue with applicants for more compatibly-scaled development. Historic districts should not be eligible to receive FAR.	Retain Proposed Draft version	BPS is proposing to set maximum heights in historic districts and allow FAR up to that maximum height. PSC has discussed and offered a tentative recommendation to lower heights in historic districts. Base FAR entitlement and bonus and transfers may be used up to the maximum height. As part of the Proposed Draft, BPS proposes to allow the bonus/transfers system to be used, but no bonus height in historic districts.	<input type="checkbox"/>	<input type="checkbox"/> Support staff rec. <input type="checkbox"/> Other
Q2	20952 21058	Patricia Gardner	Historic Resource Transfer	Reference: Volume 2A: part 1 Central City Plan District, p. 63 33.510.205.D The proposed draft allows the transfer of FAR from a historic resource to anywhere in the Central city plan district within RH, RX, CX or EX zone. The sending site must be seismically upgraded or enter into a phased seismic agreement to upgrade the building.	1) Do not allow transfers from historic structures outside of the subdistrict where the structure is located. 2) Transfer should be available to buildings that have not been upgraded in order to encourage and help offset costs of upgrading.	Retain Proposed Draft version	1) BPS thinks the proposed provision may encourage the historic resource transfer to be used more, or at least offer more options to a developer, as it allows a receiving site to be anywhere in the Central City. 2) The proposed provision applies to buildings that are already seismically upgraded or buildings that sign an agreement with the City to upgrade their building within a certain period of time.	<input type="checkbox"/>	<input type="checkbox"/> Support staff rec. <input type="checkbox"/> Other

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Q3	NA	BDS Staff	Transfer of FAR from a surface parking lot	Reference: Volume 2A: Part 1 Central City Plan District, p. 63 33.510.205.D. Surface Parking lots are prohibited from being sending sites for an FAR transfer.	Does that last sentence mean that the whole site cannot be a sending site if it has surface parking or only sites that are fully developed with surface parking cannot be sending site? Is there a formula when part of the site is surface parking?	Proposed Amendment: Amend 33.510.205.D. Staff recommends clarifying the sentence as follows: <u>Lots that are entirely used for</u> Surface parking lots are prohibited from being a sending site for an FAR transfer.	Staff does not want to allow the transfer of FAR off a lot/parcel that is fully developed with surface parking. The intent is to encourage redevelopment of surface parking lots.	<input type="checkbox"/>	<input type="checkbox"/> Support staff rec. <input type="checkbox"/> Other
Q4	20353	Design Commission	Industrial Bonus	Reference: Volume 2A: Part 1 Central City Plan District, p. 63 33.510.205.C.2.g This bonus is only available to IG1 properties in the Central Eastside. Proposal may gain an additional 1:1 FAR for industrial office use if they building traditional ground floor industrial.	Make this a tiered bonus – when there is a higher % of industrial use on the ground floor there would be greater flexibility of FAR and allowed uses within bonus sq. ft.	Retain Proposed Draft Version	This bonus was crafted with the Central Eastside Industrial Council and industrial stakeholders in the district. There is much support for the provision as crafted, as it maintains an acceptable level of industrial office, while not allowing for additional retail and traditional office uses which are not compatible at greater ratios.	<input type="checkbox"/>	<input type="checkbox"/> Support staff rec. <input type="checkbox"/> Other
Q5	20397 20399 20968 20980 21017	Ben Gates Audrey Craig Ed McNamara Mike Dennis Brent Linden	Family compatible housing	Reference: Volume 2A: Part 1 Central City Plan District, p. 124-125 The bonus currently applies to the Pearl District sub area only. It is proposed for deletion in the Proposed Draft.	1) Keep the family friendly bonus in the Pearl and expand it to other areas. There is a need for 2-3 bedroom units in the Central City. 2) There is a lack of family housing that is affordable. Keep the FAR incentive to keep family units. Consider increasing the 3:1 cap above the current 3:1. 3) There are family friendly policies but no implementation actions or regulations.	Proposed Amendment: See Decision Table P for staff recommendation	See Decision Table P for staff rationale.	<input type="checkbox"/>	<input type="checkbox"/> Support staff rec. <input type="checkbox"/> Other

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Q6	20334, 20395	David Noren	Transfer within a subdistrict	Reference: Volume 2A: Part 1 Central City Plan District, p. 65 33.510.205.D.2 Transfer from both sending and receiving sites must be located in the same subdistrict	Require a public benefit for increased floor area from the transfer within a sub district. The public benefit would be tied to living wage jobs for workers within new commercial development. The proposal is to allow a transfer of developable floor area to a site from another only with an agreement from the developers to require the eventual building operators to pay higher wages to service workers employed at the building. The required level of compensation, including wages and benefits, would be equivalent to 50% of the Area Median Income for a family of four (50% AMI). The proposed requirement would apply to any commercial development using a floor area transfer of at least an additional 1:1 FAR or 35,000 square feet. The latter amount is the floor area that would typically require one additional worker for janitorial service.	Retain Proposed Draft Version	<ol style="list-style-type: none"> The proposed transfer within a subdistrict provides a public benefit. The proposed ability to transfer floor area between parcels helps meet the City and Regional density goals more rapidly. The floor area transferred is already part of the approved development capacity for the Central City. Transferring it between properties does not increase or decrease that total amount of development capacity. It allows floor area to be utilized sooner than waiting for the eventual development of the site donating the floor area. Staff thinks that the request could discourage development. Developers, investors or lenders likely would find the short and long-term risks unacceptable. The risks come from complicating the title with restrictive covenants and opening the current and future owners to the risk of enforcement by third parties. This may reduce the ability to get new development financed. The Bureau of Development Services may not be able to administer the regulations. BDS likely would have no way to inspect, monitor or enforce the terms of the proposal. BDS inspectors compare the approved permit plans with what is physically developed on the site. This approach would not work for ensuring compliance with wage provisions over time. BDS Code Compliance staff, in essence, would enforce contracts between a developer and SEIU. This would be beyond Code Compliance’s limited resources, expertise and perhaps authority. The proposal would be best implemented in some way other than the zoning code. SEIU hasn’t offered any examples of cities where this approach has been implemented through a zoning code. To date, SEIU has only advanced this concept through a community benefits agreement for a large public infrastructure project or other project that receives some public funding, etc. 	<input checked="" type="checkbox"/>	<input type="checkbox"/> Support staff rec. <input type="checkbox"/> Other

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Q7	20491 20497 20956	Allyson Medeles Willie Levenson Ruth Williams	Riverfront Open Space bonus	Reference: Volume 2A: Part 1 Central City Plan District, p. 58-59 Applies in the EX, CX, and RX zones along the riverfront. Proposals that provide additional open space along the riverfront adjacent to river setback receive bonus floor area.	Allow bonus FAR for improving or increasing access to the river's edge.	Retain Proposed Draft Version	Staff supports expanding opportunities for safe river access for swimming and boating in the Central Reach. A new Central City action related to swimming was agreed to by the PSC at the November 16, 2016 worksession, reinforces this notion. However, there are only a very limited number of redevelopment sites. These few sites may not be the best location for public access, for example, near heavy industry north of the Fremont Bridge. Staff favors City and private interests' pursuit of expanding river access with property owners on a case-by-case basis as part of redevelopment.	<input type="checkbox"/>	<input type="checkbox"/> Support staff rec. <input type="checkbox"/> Other
Q8	20688	Bob Sallinger, Audubon Society of Portland	River restoration bonus	N/A	Create a new bonus to contribute to a Willamette River Restoration Fund.	Retain Proposed Draft Version	Staff supports river restoration projects and appreciates the suggestion to develop a new bonus that contributes toward funding these projects. However, staff does not support adding this new bonus to the list of Central City bonus options at this time. River enhancement and restoration projects will occur as sites redevelop. The City actively works with property owners to restore habitat at specific sites to benefit particular species. The proposed draft already includes an FAR bonus for increasing the width of the river setback, which will provide more space for restoration or enhancement.	<input type="checkbox"/>	<input type="checkbox"/> Support staff rec. <input type="checkbox"/> Other
Q9	20945 20698 20947	Brad Malsin Jonathan Malsin Central Eastside Industrial Council	FAR calculation for structured parking	N/A	Create a new incentive for structured parking by not counting FAR utilization for that type of development.	Retain Proposed Draft Version	City Council recently adopted a new Inclusionary Housing code that clearly indicates affordable housing as its top priority. Therefore, staff does not support adding this new bonus to the list of Central City bonus options at this time. In the future, this suggestion could be reconsidered.	<input type="checkbox"/>	<input type="checkbox"/> Support staff rec. <input type="checkbox"/> Other
Q10	20947 20992	Central Eastside Industrial Council Kristin Calhoun	Percent Art bonus	Reference: Volume 2A: Part 1 Central City Plan District, p. 110-111 Percent for Art bonus applied to all area of Central City except for South Waterfront. Funds committed to public art received additional floor area. This bonus is proposed for deletion in the Proposed Draft.	Concerned about eliminating all bonuses. The bonus for percent art can be valuable to maintain for commercial development because the affordable housing bonuses are not appropriate for commercial development.	Retain Proposed Draft Version	City Council recently adopted a new Inclusionary Housing code that clearly indicates affordable housing as its top priority. Therefore, staff does not support maintaining this bonus in the list of bonuses for the Central City at this time. However, for commercial development that does not trigger the inclusionary housing requirement, a project will have a choice between paying into the inclusionary housing fund or transferring FAR from a historic resource.	<input type="checkbox"/>	<input type="checkbox"/> Support staff rec. <input type="checkbox"/> Other

Ref #	Comment	Committer(s)	Topic	Proposed draft	Request(s)	Staff recommendation	Staff rationale	Discuss?	PSC decision
Q11	20710	Urban Forestry Commission	Bonuses & incentives for trees	The Proposed Draft contains no bonuses or incentives for the preservation or incorporation of trees into development projects or ecoroofs.	Recommend establishing an FAR bonus for outdoor open space w/ trees on development sites; Encourage regulatory incentives for trees to be planted in ecoroof or on building roof areas.	Retain Proposed Draft Version	City Council recently adopted a new Inclusionary Housing code that clearly indicates affordable housing as its top priority. Therefore, staff does not support adding this bonus. In the future, this suggestion could be reconsidered.	<input type="checkbox"/>	<input type="checkbox"/> Support staff rec. <input type="checkbox"/> Other