



Bureau of Planning and Sustainability

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MEMO

DATE: March 2, 2017

TO: Planning and Sustainability Commission

FROM: Rachael Hoy, Senior City Planner

CC: Susan Anderson, Director; Joe Zehnder, Chief Planner; Sallie Edmunds, Central City Planning Manager

SUBJECT: **Central City Bonus and Transfer Summary**

This memorandum provides background information on the current bonus and transfer system, public testimony received on the system and how staff proposes to integrate the inclusionary housing program into the Central City Plan District. The attachments to this memo include:

1. Decision Table Q: Bonus and Transfer Amendments, Part 2
2. Decision Table I: Miscellaneous Code and Map Amendments, Part 3- Integrating the Inclusionary Housing Program
3. Attachment: Code Amendments to the FAR and Height sections of the Central City Plan District

I. Background

There are currently 19 density bonuses that can be earned in the Central City. There are also five FAR transfer options. Most of these bonuses are no longer necessary or effective. This is largely because the cost of the bonus exceeds its benefits to the developer.

A previous study (Johnson/Gardner, 2007) found:

1. Stakeholders generally agree that bonus and transfer programs need greater clarity, simplicity and certainty.
2. Bonus and transfer programs work in markets where developers seek to maximize density, and where current allowable densities are below what the market can support.
3. Bonuses and transfer options can compete with each other.
4. The transfers create an informal market and competitive prices for additional FAR.
5. Residential projects tend to only use the residential bonus.
6. Commercial projects tend to find transfers the most cost effective way to access additional FAR.

The Proposed Draft, released in June 2016, proposed to redesign the Central City bonus and transfer system to prioritize affordable housing and historic preservation. **The bonus and transfer system as well as other sections of the Central City plan district need to be updated to integrate the Inclusionary housing program adopted late last year.**

The Proposed Draft (June 2016) includes:

1. Bonuses:

- Eliminating 19 existing bonuses
- Creating two new affordable housing bonuses: build on site or pay into the fund.
- Creating Riverfront Open Space bonus
- Maintaining three existing greenway/open space bonuses for South Waterfront District
- Creating Industrial space bonus

Utilization of existing bonuses and transfers:
Since 2005, 43 projects have used the bonus/transfer program.

Bonuses/transfers used most frequently:

By far, the residential bonus was used most frequently. A FAR transfer was the second most common way to achieve additional FAR, followed by the eco-roof and bike locker bonuses.

Other available bonuses/transfers:

Bonuses also are available for:

Retail uses	Rooftop gardens,
Daycares	Open space & fund
Percent for art	Water features
Small sites	Willamette River Greenway
Below-grade parking dwelling units	Middle-income Housing Large
Affordable housing fund	Family size units
Theaters on Broadway	Units for large households

FAR transfer options include: transfer between abutting lots within a site, single room occupancy housing transfer, residential transfer, transfer from a historic resource, and transfer within a subdistrict in South Waterfront.

Where were bonuses used most frequently?

68 percent of these projects were built in 4:1 and 6:1 base entitlement areas, and 26 percent were built in 2:1 or 5:1 base entitlement areas.

2. Transfers:

- Eliminating three transfers including: SRO (single room occupancy housing); transfer within a project, and residential transfer
- Updating the Historic resource transfer
 - Expand to historic landmarks and contributing resources
 - Sending sites must be seismically upgraded
 - In addition to unused floor area additional 3 to 1 may be transferred.
- Adding a new Transfer within a subdistrict

3. Public testimony received on the bonus and transfer system in the Proposed Draft (June 2016):

Decision Table Q: Bonus and Transfer Amendments, Part 2 summarizes public testimony as it relates to Bonus Options and Floor Area Ratio (FAR) transfers and incentives. Staff is proposing to retain the proposed draft recommendation in response to all of the items in this table. The recent adoption of the Inclusionary Housing Program clearly indicates that affordable housing is a top priority. Therefore, staff is not proposing to add new bonuses at this time. In the future some of these items could be reconsidered. Specific topics covered in the table include:

- Transfer of FAR in historic districts (Items Q1 and Q2) and a FAR incentive for structured parking (Item Q9);
- New bonus options on-site open areas with trees (Item Q11), and a Willamette River Restoration Fund (Item Q8);
- Retention of existing bonuses, e.g. Percent for Art (Item Q10);
- Expansion of Riverfront Open Space Bonus for River Access (items Q7); and
- Changes to the Industrial Bonus option (Item Q4).

II. Inclusionary Housing Program – adopted December 2016 and effective February 1, 2017

A new chapter in Title 33 (33.245) has been adopted that requires all development projects with 20 or more dwelling units in one building participate in the Inclusionary Housing Program. The new code sets the percent or share of units in a development that must be affordable at different income levels to meet the terms of the program, called the “inclusion rate”, depending on if the units are provided on-site or off-site as described below.

On Site Options: Inclusionary Housing Program in the Central City	
Central City Zones with 2:1, 3:1 and 4:1 Base FAR	
Mandatory Inclusionary Requirement:	20% of Units at 80% Area Median Income
Incentives:	<ul style="list-style-type: none"> • Density Bonus of 3.0 FAR • 10 Year Property Tax Exemption on Affordable Units • CET Exemption on Affordable Units
Deeper Affordability Option:	10% of Units at 60% Area Median Income

Incentives:	<ul style="list-style-type: none"> • Density Bonus of 3.0 FAR • 10 Year Property Tax Exemption on Affordable Units • CET Exemption on Affordable Units • SDC Waivers on Affordable Units
Central City Zones with Base FAR 5:1 and Higher	
Mandatory Inclusionary Requirement:	20% of Units at 80% Area Median Income
Incentives:	<ul style="list-style-type: none"> • Density Bonus of 3.0 FAR • 10 Year Property Tax Exemption on All Residential Units • CET Exemption on Affordable Units
Deeper Affordability Option:	10% of Units at 60% Area Median Income
Incentives:	<ul style="list-style-type: none"> • Density Bonus of 3.0 FAR • 10 Year Property Tax Exemption on all Residential Units • CET Exemption on Affordable Units • SDC Waivers on Affordable Units
Off Site Options to Satisfy Inclusionary Housing Program Requirements	
Option #1: Off-site Construction of New Units: # of Affordable Units Required Off-Site	<p>Either, 20% of the total units in sending site at 60% AMI</p> <p>Or, 10% of the total units in sending site at 30% AMI</p>
Option #2: Off-site Dedication of Existing Units: # of Affordable Units Required Off-Site	<p>Either, 25% of the total units in sending site at 60% AMI</p> <p>Or, 15% of the total units in sending site at 30% AMI</p>
Sites that do not trigger Inclusionary Housing	
In an effort to encourage historic preservation and seismic upgrades, projects that do not trigger inclusionary housing requirements (i.e. commercial projects) may increase floor area through a historic resource transfer or the affordable housing fund.	

III. Integrating Inclusionary Housing Program into the Central City Plan District

1. Integrating IH requires an update to the Proposed Draft (June 2016) affordable housing bonus. Changes necessary include: (see Decision Table I, Item I 32 for more detail)

- a. **Build on site** – when 20 units or more are built- 1 square foot of bonus floor area is earned for each square foot committed to residential uses up to a floor area ratio of 3:1; or
- b. **off-site options** available at deeper affordability (see section II above); or
- c. **Pay into the affordable housing fund:** PHB staff calculate the fee-in-lieu amount due by multiplying the gross square feet of the new development by the [Fee-in-Lieu Factor](#) (PDF).

2. The new IH program creates an opportunity to update FAR in North Pearl and Riverplace from 4:1 to 5:1

a. North Pearl (see Decision Table I, Items I33 and I34 for more detail)

With the new inclusionary housing provisions and proposed new historic transfer provision that applies Central City-wide, the North Pearl subarea will access the same set of bonuses and transfers as the rest of the City. Special height and FAR provisions are no longer needed and are inconsistent with the affordable housing bonus provisions adopted by City Council through the Inclusionary Housing project. By eliminating the North Pearl provisions, it is necessary to increase the base FAR allowance in the northern portions of the Pearl District from 4:1 to 5:1 to ensure the density goals for this area can be met. In addition, existing unlimited height limits in the North Pearl are proposed to be eliminated and instead replaced with maximum heights of 350' in these areas.

b. Riverplace (see Decision Table I, Item I 35 for more detail)

The FAR limit of 4:1 in a portion of the RiverPlace area, could benefit from an increase to align with the building height increases that have been tentatively approved by PSC. Increasing the FAR to 5:1 makes the area eligible for a better inclusionary housing incentives package that may encourage redevelopment more quickly. This area is a key redevelopment site where staff would like to encourage residential development and affordable housing. This slight increase in FAR will help support the scale of development appropriate for this area.

3. Technical code fixes necessary to make the Plan District code work (see Decision Table I, Items I 30 and 31 for more detail)

Staff proposes to change the priorities for earning FAR in light of the adoption of the mandatory inclusionary housing program and code. The proposal is as follows:

a. Central Citywide (except South Waterfront)

- If a project triggers inclusionary housing requirements, the first 3:1 of FAR must be gained through the affordable housing bonus.
- If inclusionary housing is not triggered, a project may earn up to 3:1 through one of the following:
 - Inclusionary housing fund payment,
 - Historic resource, or
 - River front open space bonus (only applies to properties along the riverfront)
- The transfer within a subdistrict may be used after 3 to 1 is earned from one of the above options.

b. South Waterfront Subdistrict:

- Existing bonuses, including greenway expansion and open space creation remain priorities *after* affordable housing. If affordable housing is *not* triggered,

then greenway expansion, open space creation and transfer within the subdistrict are the priorities.

- The transfer within a subdistrict may be used after 3:1 is earned first from one of the above options. The historic resource transfer is not available for use in SOWA (the proposed code has been updated to reflect this restriction in 33.510.205D.1c (2)).
- Update the bonus floor area ratio limit in the subdistrict from 2:1 to 3:1 because a project that triggers inclusionary housing will automatically earn 3 to 1 bonus FAR.

Decision Table Q: Bonus and Transfer Amendments, Part 2

This table highlights and responds to diverse public testimony 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 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:

None

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	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. Reference: Volume 2A: Part 1 Central City Plan District, p. 49 & p. 65	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 FAR bonus/transfers system to be used in historic districts, but not allow bonus height.	<input type="checkbox"/>	<input type="checkbox"/> Support staff rec. <input type="checkbox"/> Other	
Q2 20952 21058	Patricia Gardner	Historic Resource Transfer	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. Reference: Volume 2A: part 1 Central City Plan District, p. 63 33.510.205.D	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 and offers 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	

Ref #	Comment	Commenter(s)	Topic	Proposed draft	Request(s)	Staff recommendation	Staff rationale	Discuss?	PSC decision
Q4	20353	Design Commission	Industrial Bonus	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. Reference: Volume 2A: Part 1 Central City Plan District, p. 63 33.510.205.C.2.g	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
Q7	20491 20497 20956	Allyson Medeles Willie Levenson Ruth Williams	Riverfront Open Space bonus	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. Reference: Volume 2A: Part 1 Central City Plan District, p. 58-59	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 work session, 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

CENTRAL CITY 2035 PLAN – PSC WORK SESSION 7 (03/14/2017)

Ref #	Comment	Commenter(s)	Topic	Proposed draft	Request(s)	Staff recommendation	Staff rationale	Discuss?	PSC decision
Q10	20947 20992	Central Eastside Industrial Council Kristin Calhoun	Percent Art bonus	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. Reference: Volume 2A: Part 1 Central City Plan District, p. 110-111	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
Q11	20710	Urban Forestry Commission	Bonuses & incentives for trees	The Proposed Draft contains no bonuses or incentives for the preservation or incorporation of trees in 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

Decision Table I: Miscellaneous Code and Map Amendments, Part 3- Integrating Inclusionary Housing Provisions

Contents of Decision Packet I:

- Decision Table I
- Memo I2
- Maps I1 and I2

This table contains a number of recommended changes to the Central City Plan District provisions, including:

- Technical amendments needed to revise the Proposed Draft to make it consistent with inclusionary housing (IH) program provisions adopted by City Council, items I30-I31;
- Amendments to the Affordable housing bonus; and
- Changes to FAR and Height provisions in the North Pearl District and FAR provisions in the RiverPlace area

Items Marked for Discussion:

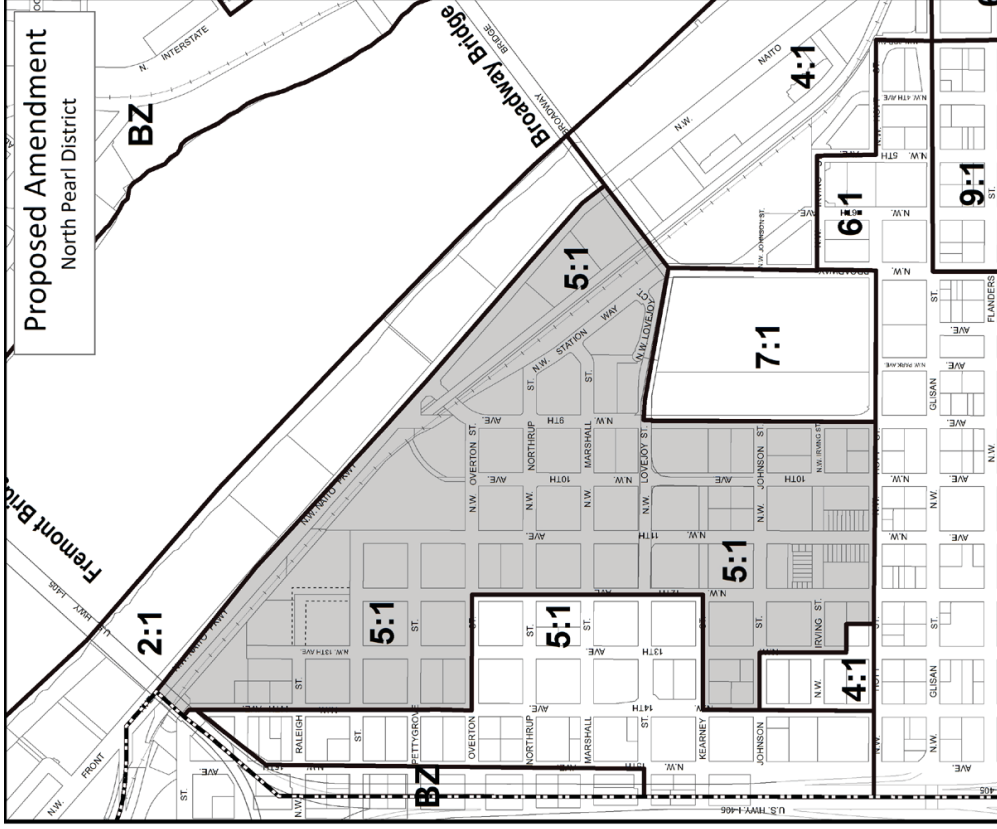
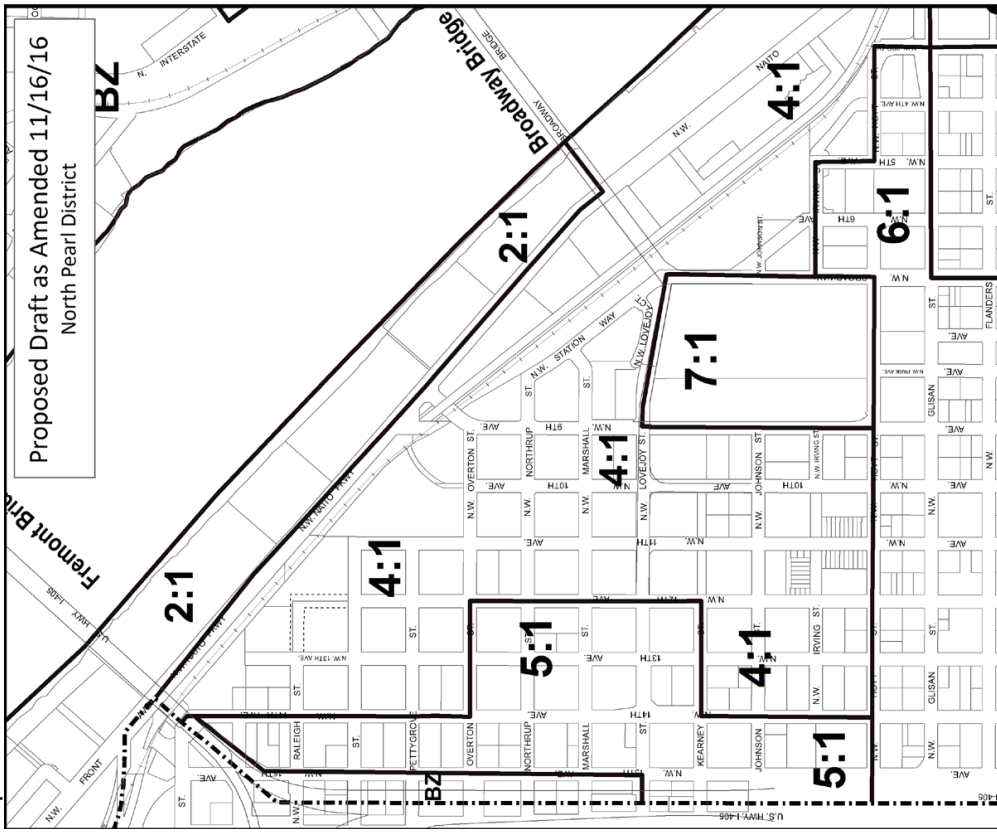
- I32, I 33, I 34 and I 35

Ref #	Commenter(s)	Topic	Proposed draft	Issue/Request	Staff recommendation	Staff rationale	Discuss?	PSC decision
I30	BPS Staff	Prioritization of FAR Bonus and Transfers	Bonuses and transfers are prioritized to focus on affordable housing and historic resources. The first 2 to 1 is prioritized for affordable housing. The remaining 1 to 1 can be earned through other bonuses and transfers. Reference: Volume 2A: Part 1 Central City Plan District, p. 53-54, 33-510.205-B.	The Proposed Draft code language establishing priorities for the use of bonuses and transfers is inconsistent with the affordable housing bonus provisions adopted by City Council through the Inclusionary Housing project.	Proposed Amendment: Amend 33-510.205.B: 1. Amend the FAR priority system for all subdistricts outside of South Waterfront to be consistent so that, in projects triggering inclusionary housing (IH) requirements, the first 3:1 in increased FAR must be gained through the affordable housing bonus. Projects that do not trigger IH, may increase FAR through affordable housing or riverfront open space bonuses or the use of historic resource transfers. 2. Inside the South Waterfront subdistrict, existing bonuses, including greenway expansion and open space creation remain priorities <i>after</i> affordable housing. If greenway expansion, open space creation and transfer within the subdistrict are the priorities. See Memo I2 which shows technical changes to the code needed to incorporate newly adopted inclusionary housing program language into the proposed new Central City plan district regulations.	Staff proposes to change the priorities for earning FAR in light of the adoption of the mandatory inclusionary housing program and code. The proposal is as follows: Outside of South Waterfront: 1. If inclusionary housing is triggered in the Central City a project earns 3 to 1 FAR for building affordable housing. There are no other options for the first 3:1 increase. 2. If inclusionary housing is not triggered, a project may earn up to 3 to 1 through one of the following: o Inclusionary housing fund payment, o Historic resource, or o River front open space bonus (only applies to properties along the riverfront) 3. The transfer within a subdistrict may be used after 3 to 1 is earned from one of the above options. Inside of South Waterfront: This proposal does not change the priority given to open space creation or greenway expansion that exists today in the subdistrict, but it does integrate the new mandatory affordable housing bonus into the prioritization. If inclusionary housing is not triggered, there is no priority except for properties along the greenway. The transfer within a subdistrict may be used after 3 to 1 is earned first from one of the above options. The historic resource transfer is not available for use in SOWA (the proposed code has been updated to reflect this restriction in 33-510.205D.1c(2)). Using existing FAR in the subdistrict, especially transferring FAR off of the greenway is a priority for the subdistrict.	<input type="checkbox"/>	<input type="checkbox"/> Support staff rec. <input type="checkbox"/> Other
Memo I2								

Ref #	Commenter(s)	Topic	Proposed draft	Issue/Request	Staff recommendation	Staff rationale	Discuss?	PSC decision
131 Memo 12	BPS Staff	Limits on Additional Floor Area in South Waterfront (SOWA) subdistrict	Sites in the South Waterfront subdistrict may not earn more than 2 to 1 in bonuses unless at least 1 to 1 is earned through an open space or Greenway bonus. If at least 1 to 1 is earned through one of the open space bonuses a project can earn up to 9 to 1 through bonuses and transfers. Reference: Volume 2A: Part 1 Central City Plan District, p. 49, 33.510.200.D.3.a and b	Floor area bonus provisions for South Waterfront in the Proposed Draft are inconsistent with the affordable housing bonus provisions adopted by City Council through the Inclusionary Housing project.	Proposed Amendment: Delete 33.510.200.D.3.a and amend 33.510.200.D.3.b to increase FAR limit to 3 to 1 See Memo 12 which shows technical changes to the code needed to incorporate newly adopted inclusionary housing program language into the proposed new Central City plan district regulations.	Under existing code, projects in SOWA may not earn more than 2 to 1 in bonuses unless at least 1 to 1 is earned through open space or Greenway bonuses. Staff proposes to change this FAR limit to 3 to 1, because a project that triggers inclusionary housing will automatically earn 3 to 1 bonus FAR. If a project wants to earn more than 3 to 1 FAR, at least 1 to 1 needs to be earned through one of the specific SOWA bonuses. The overall cap of FAR earned through bonuses remains unchanged at 9 to 1. See Memo 12 for proposed code	<input type="checkbox"/>	<input type="checkbox"/> Support staff rec. <input type="checkbox"/> Other
132 Memo 12	BPS Staff	Affordable housing bonus option	The affordable housing bonus applies to proposals in the CX, EX and RX. An additional 3:1 FAR can be earned if at least 25% of the increased floor area is dedicated to housing affordable to those earning 80% of MFI. Reference: Volume 2A: Part 1 Central City Plan District, p. 55-63, 33.510.205.C.2.a Floor area bonus options. Note: The Proposed Draft does not reflect changes to the FAR bonus options adopted with the inclusionary housing project in December 2016.	The new affordable housing bonus adopted with the inclusionary housing project provides a bonus FAR of 3:1 for each project that triggers the mandatory inclusionary housing provisions on a site. On larger sites, where there may be many residential projects (buildings) built over time, <i>each project</i> would earn 3:1 bonus floor area, i.e. floor area equal to three times the area of the <i>whole site</i> . Most projects on a larger site would not be able to use the bonus FAR earned because the maximum FAR increase on a site is limited to 3 to 1. This potentially large pool of bonus floor area could be transferred to other sites, but could flood the transfer market.	Proposed Amendment: Amend 33.510.205.C.2.a: Modify the affordable housing bonus to earn FAR based on the floor area of a project, not the site. For every square foot of residential built, one square foot of FAR will be earned.	The new mandatory inclusionary housing provisions require new development with more than 20 dwelling units in one building to provide either 20% of the dwelling units to be affordable at 80% MFI or 10% of the dwelling units to be affordable at 60% MFI, or pay a fee-in-lieu (see Zoning Code chapter 33.245). Projects required to meet the affordable housing requirements earn bonus FAR. Staff proposes to amend the current bonus provision to calculate bonus floor area based on a project's residential floor area instead of total site area: for every square foot of residential built, one square foot of floor area will be earned. There will not be a restriction on how the bonus FAR may be used. The existing 3:1 FAR limit on floor area increases on a site would remain unchanged. This amendment will prevent the accumulation of disproportionately high amounts of floor area that could not be used on a site and that, if transferred, could flood the market and discourage the use of the historic FAR transfer. The affordable housing fund or "fee-in-lieu" bonus option remains unchanged from the Proposed Draft.	<input checked="" type="checkbox"/>	<input type="checkbox"/> Support staff rec. <input type="checkbox"/> Other

Ref #	Commenter(s)	Topic	Proposed draft	Issue/Request	Staff recommendation	Staff rationale	Discuss?	PSC decision
I33 Memo I2 Map I1	BPS Staff	FAR in the North Pearl subarea	A portion of the North Pearl District with a base FAR of 4:1 is a bonus target area with the ability to increase FAR up to 9 to 1 on a site with the use of specific bonuses and transfer provisions. References: Volume 2A: Part 1 Central City Plan District, 33-510-200.D.4, p. 51; 510 series maps, p. 321-399.	The special FAR and building height provisions in the North Pearl subarea are no longer needed and are inconsistent with the affordable housing bonus provisions adopted by City Council through the Inclusionary Housing project.	Proposed Amendment: 1. Delete North Pearl subarea provisions in 33-510.200.D.4. 2. Delete North Pearl Subarea and North Pearl bonus target area from all 510 series maps. 3. Increase FAR in the North Pearl in areas shown on Map I1 from 4:1 to 5:1. See also proposed height changes described below in I34.	The 2008 North Pearl District Plan increased floor area ratios (FAR) in the area from 2:1 to 4:1. In addition, special provisions were adopted that allowed projects with floor areas as high as 9:1 through the use of family compatible housing bonuses and transfers from historic resources in the North Pearl subarea. With the new inclusionary housing provisions and proposed new historic transfer provision that applies Central City-wide, this subarea in the future will access the same set of bonuses and transfers as the rest of the City, hence the North Pearl subarea provisions are no longer needed. However, by eliminating these provisions it is necessary to increase the base FAR allowance in the northern portions of the Pearl District from 4:1 to 5:1 to ensure the density goals for this area can be met. In addition, staff proposes to set maximum heights on Map 510-4 for the portions of the district that currently have an unlimited height to align with these changes described below in Item I34.	<input checked="" type="checkbox"/>	<input type="checkbox"/> Support staff rec. <input type="checkbox"/> Other
I34 Memo I2 Map I3	BPS Staff	Height in the North Pearl height opportunity area	A portion of the North Pearl district allows unlimited building heights with special standards controlling building design and massing for tall buildings. Reference: Volume 2A: Part 1 Central City Plan District, 33-510.210D.3, p.75; Map 510-4, p. 333-337.	The special FAR and building height provisions in the North Pearl subarea are no longer needed and are inconsistent with the affordable housing bonus provisions adopted by City Council through the Inclusionary Housing project.	Proposed Amendment: 1. Delete North Pearl height opportunity area provisions in 33-510.210.D.3. and retain design and massing requirements in the paragraph describing how bonus height is earned. See Memo I2. 2. Set maximum heights to 350' on Map 510-4 in areas currently shown as unlimited and the two view corridors that cross the subdistrict. See Map I3.	The existing unlimited height limits in the North Pearl were intended to encourage the use of specific FAR bonus and transfer provisions that are now proposed for elimination in the Central City 2035 Plan. Staff proposes to set maximum heights at 350' in these areas. Staff also proposes to retain the design and building massing requirements for buildings above certain heights to preserve views through the district and pedestrian access to light and air.	<input checked="" type="checkbox"/>	<input type="checkbox"/> Support staff rec. <input type="checkbox"/> Other
I35 Map I2	BPS Staff	FAR in RiverPlace area	The RiverPlace area has a 4:1 FAR limit in the Proposed Draft. Reference: Map 510-2, p. 325.	The FAR limit of 4:1 in a portion of the RiverPlace area, could benefit from an increase to align with the building height increases that have been tentatively approved. An increase would also allow sites to qualify for a better inclusionary housing incentives package.	Proposed Amendment: Increase FAR from 4 to 1 to 5 to 1 in the area shown on Map I2.	This area is a key redevelopment site where staff would like to encourage residential development and affordable housing. Its location near the Willamette will also help activate the riverfront in this area. Increasing the FAR to 5:1 makes the area eligible for a better inclusionary housing incentives package that may encourage redevelopment more quickly. In addition, PSC approved height increases in this area at a previous work session. This slight increase in FAR will help support the scale of development appropriate for this area.	<input checked="" type="checkbox"/>	<input type="checkbox"/> Support staff rec. <input type="checkbox"/> Other

Map 11

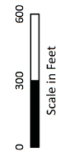


February 15, 2017

Central City Plan
 District Boundary

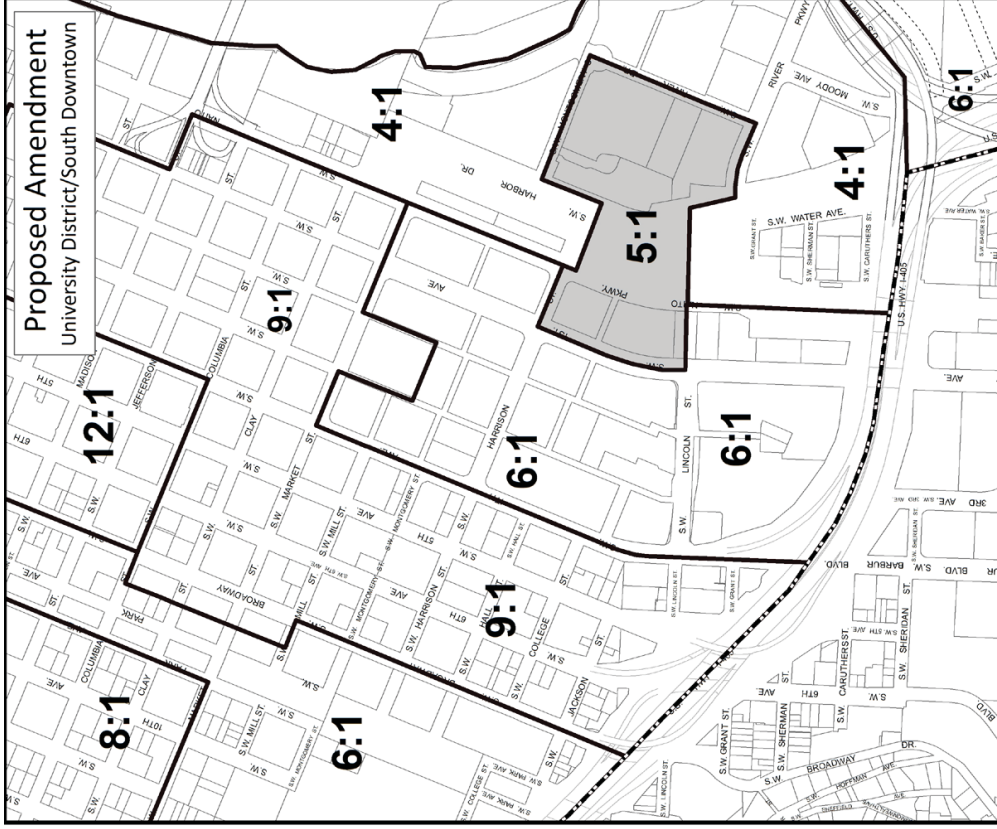
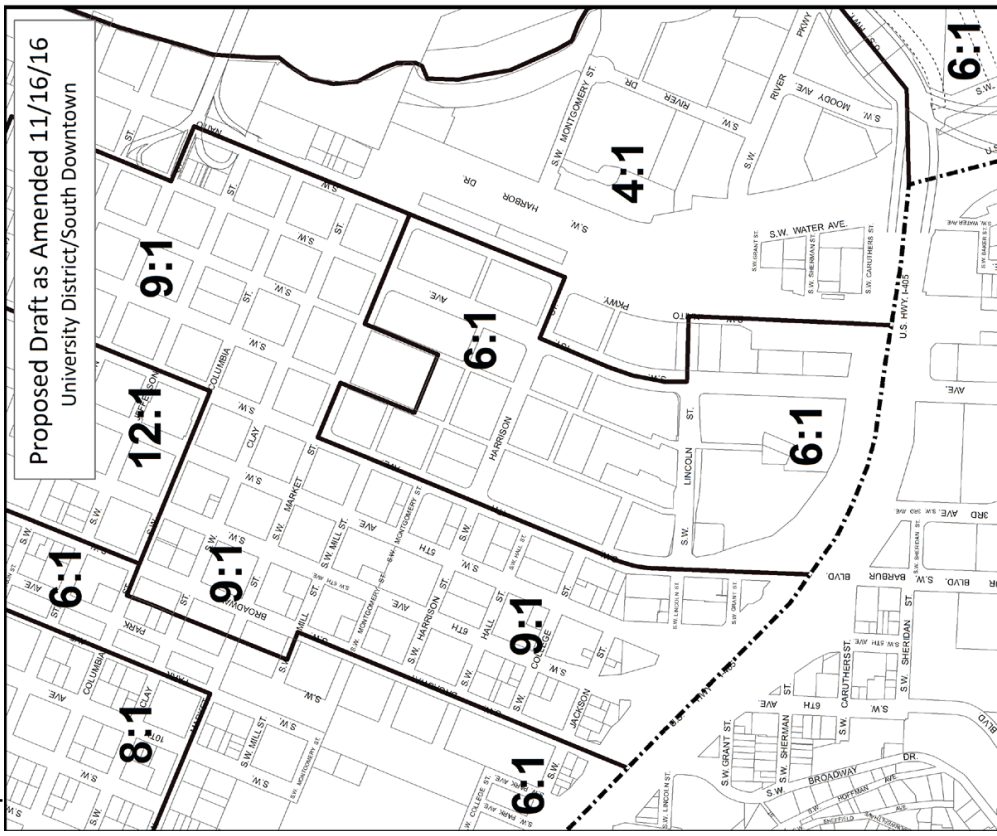
Focus Area(s)

[Shaded Box] Focus Area(s)
 [Dashed Line] Central City Plan
 [Solid Line] Central City Boundary
 [Dotted Line] District Boundary
 [Box with X-Y] FAR area boundary



Bureau of Planning and Sustainability
 Department of City and Regional Development
 City of Portland, Oregon
 Paul Whitten Mayor • Susan Anderson, Director

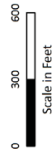
Map 12



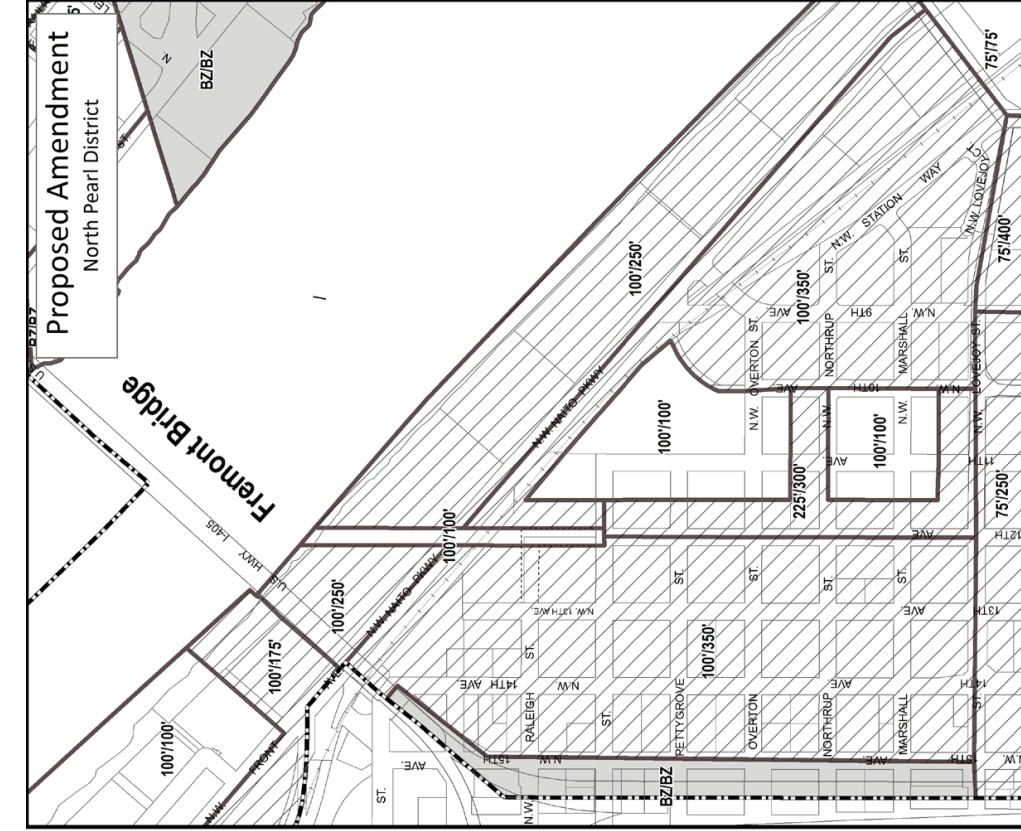
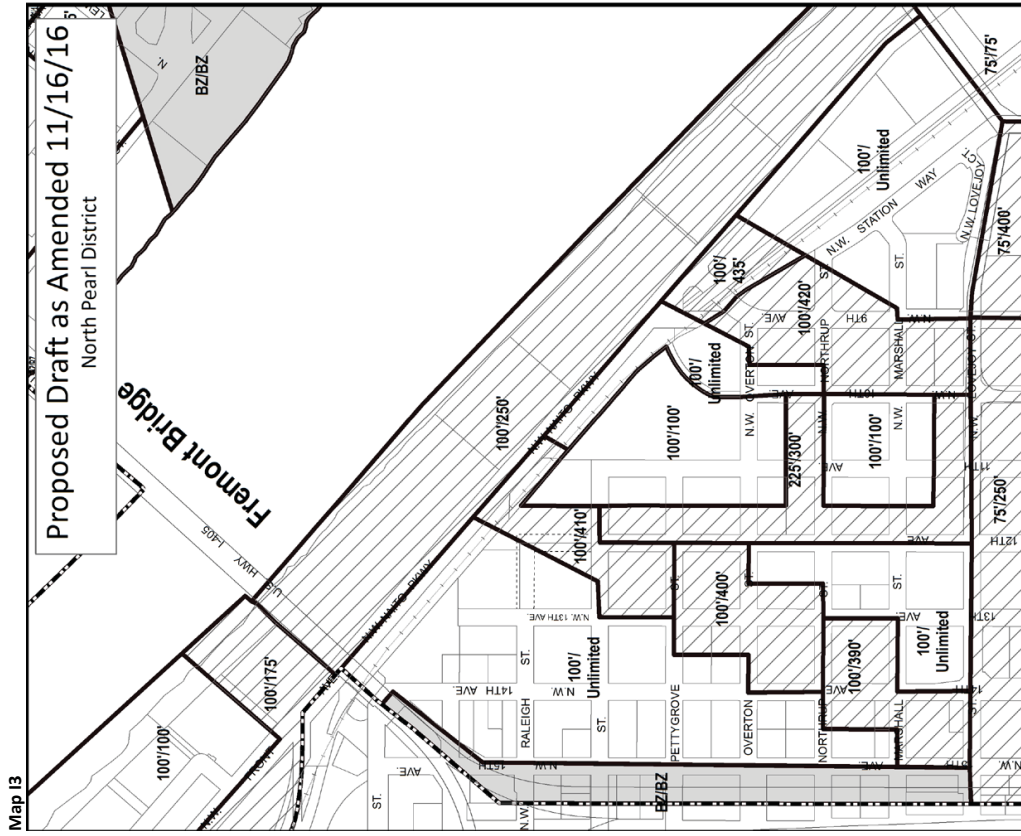
February 15, 2017

- Central City Plan
- District Boundary
- Focus Area(s)
- FAR area boundary

Scale in Feet



Bureau of Planning and Sustainability
 Innovation. Collaboration. Practical Solutions.
 Tom Phillips, Mayor • Susan Anderson, Director





Attachment

DATE: March 2, 2017

TO: Planning and Sustainability Commission

FROM: Rachael Hoy, Senior City Planner

CC: Susan Anderson, Director; Joe Zehnder, Chief Planner; Sallie Edmunds, Central City Planning Manager

SUBJECT: **Amendments to FAR and Height Code**

This attachment contains BPS staff-recommended revisions to portions of the Central City Plan District code including sections 33.510.200 Floor Area Ratio (FAR) and 33.510.205 Height. Many of the proposed changes are in an effort to incorporate new inclusionary housing provisions into Title 33. These new provisions established FAR bonuses for building affordable housing in the Central City. A number of technical updates are needed to the FAR and Height sections of the Central City Plan District in order to incorporate the IH code. Other proposed changes include increases to FAR in the North Pearl District and RiverPlace area; and revisions to the Central City Master Plan.

Language highlighted in gray was previously approved by the PSC in a past work session. Language highlighted in yellow is new language for PSC consideration and approval.

Proposed Zoning Code Revisions

33.510.200 Floor Area Ratios

- A. Purpose.** Floor area ratios (FARs) regulate the amount of use (the intensity) allowed on a site. FARs provide a means to match the potential amount of uses with the desired character of the area and the provision of public services. FARs work with the height, setback, and building coverage standards to control the overall bulk of development. Generally, the highest FARs in Portland are applied in the Central City plan district to support its role as the region's premier center for jobs, health and human services, and urban living. The minimum FARs required in the Central City plan district are intended to ensure a minimum level of density for new development, ensure that not all development potential is transferred off a site, and ensure

redevelopment of under-utilized sites. The maximum FARs allowed in the Central City plan district balance multiple objectives of the Central City 2035 Plan including:

- Locating the largest floor area ratios along the Transit Mall and high-capacity transit lines;
- Varying building bulk across the Central City;
- Generally, stepping down allowed building bulk to the Willamette River and neighborhoods adjacent to the Central City; and
- Ensuring that building bulk is compatible within historic districts.

B. Adjustments. Adjustments to floor area ratio regulations are prohibited.

C. Floor area ratio.

1. Maximum floor area ratio. The maximum floor area ratio (FAR) for sites in the Central City plan district are shown on Map 510-2. Maximum FAR can be increased on a site if FAR is transferred or earned through a bonus as allowed by 33.510.205, Floor Area Bonus and Transfer Options. Increases in FAR on a site are limited as described in Subsection D.
2. Minimum floor area ratio. Minimum FAR is required as follows:
 - a. For sites where the maximum allowed FAR before bonuses and transfers is up to 4 to 1, the minimum FAR is 1 to 1;
 - b. For sites where the maximum allowed FAR before bonuses and transfers is between 5 to 1 and 8 to 1, the minimum FAR is 2 to 1; and
 - c. For sites where the maximum allowed FAR before bonuses and transfers is 9 to 1 or greater, the minimum FAR is 3 to 1.

D. Limits on additional floor area. Maximum FAR can be increased on a site if FAR is transferred, or bonus FAR is earned as allowed by 33.510.205, Floor Area Bonus and Transfer Options. The following limits apply to increases in FAR:

1. Unless otherwise specified in Paragraphs D.2. and through D.34, the maximum amount of FAR that can be earned on a site through use of bonus options is 3 to 1. There is no limit on the amount of FAR that can be transferred to a site.
2. South Park Blocks frontages. Transferring floor area to sites, or portions of sites, zoned RX is prohibited within the area shown on Map 510-14.
3. South Waterfront subdistrict. In the South Waterfront subdistrict the following applies:
 - a. Except as allowed under Subparagraphs D.3.b. and c., no more than 2 to 1 FAR may be earned on a site through the use of bonus options. There is no maximum to the amount of floor area that may be transferred to a site. However, the total amount of floor area on a site, including bonus floor area and transferred floor area, must not be more than 9 to 1;
 - ab. An FAR of more than 23 to 1 may be earned on a site through the use of bonuses if at least 1 to 1 FAR is earned on the site through the use of the open space bonus option, the open space fund bonus option, or the South Waterfront Willamette River

Greenway bonus option. However, the total amount of floor area on a site, including bonus floor area and transferred floor area, must not be more than 9 to 1.

be. The total floor area on a site, including bonus floor area and transferred floor area, may be more than 9 to 1 if all of the following are met:

(1) The floor area above the 9 to 1 ratio must be transferred from the South Waterfront Greenway Area; and

(2) The portion of the South Waterfront Greenway Area that floor area is being transferred from must have been dedicated to the City after September 1, 2002.

4. North Pearl subarea. The following applies in the North Pearl subarea bonus options target area shown on Map 510-5:

a. An FAR increase of more than 3 to 1 may be earned on a site through the following provisions. However, the total amount of floor area on a site must not be more than 9 to 1, except as allowed under Subparagraph D.4.b.:

(1) Floor area bonuses in subsection 33.510.205 C;

(2) Transfers from the site of an historic resource meeting 33.510.205 D

b. The total floor area on a site, including bonus floor area and transferred floor area, may be more than 9 to 1 if the floor area above the 9 to 1 ratio is transferred from the site of an historic resource as specified in Subsection D.1.

E. Exemptions. The following are exempt from the regulations in Subsections C.:

1. Neighborhood facilities.

a. Purpose. This regulation encourages creation of facilities to serve those who live and work in the Central City. These facilities are necessary elements of a complete neighborhood.

b. Standards. Floor area used for specified neighborhood facilities is not counted towards maximum FAR for the site. The specified neighborhood facilities are public schools, public community centers, daycare facilities for children, and public libraries. To qualify for this provision, the following requirements must be met:

(1) Schools. Floor area to be used for public schools does not count towards maximum FAR for the site if the school will be operated by or for a public school district.

(2) Daycare. Floor area to be used for daycare facilities for children does not count towards maximum FAR for the site. The facility must be open at least five days each week and fifty weeks each calendar year.

(3) Libraries. Floor area to be used for public libraries does not count towards maximum FAR for the site if the library will be operated by the Multnomah County Library or does not charge membership fees.

(4) Public community centers. Floor area to be used for community centers does not count towards maximum FAR for the site. Public community centers are not for exclusive use by residents of a site and their guests.

(5) All facilities. All neighborhood facilities must meet the following:

- The floor area of the facility must be reserved for the exclusive use of the neighborhood facility for at least 10 years from the date a certificate of occupancy is issued for the qualifying floor area. No uses other than those listed in this subsection are allowed.
- The applicant must document that there is a binding agreement with an operator for each facility. This documentation must be submitted with the application for design review; and
- The property owner must execute a covenant with the City which is attached to and recorded with the deed of the site. The covenant must ensure that the owner will reserve the floor area as specified above. The covenant must comply with the requirements of Section 33.700.060.

2. South Waterfront subdistrict. In South Waterfront subdistrict, floor area used for automated parking is not counted towards maximum FAR for the site. The automated parking facility must rely on a mechanical system instead of a vehicle operator to transport vehicles to a storage space within the facility.

33.510.205 Floor Area Bonus and Transfer Options

A. Purpose. Floor area bonus and transfer options allow additional floor area as an incentive for certain uses and types of development that provide a public or community benefit. The bonus floor area can be gained in exchange for affordable housing, or riverfront open space in new development. Transfer options can be used in exchange for historic preservation and transferring FAR within a subdistrict. In the South Waterfront subdistrict new development may also gains bonus floor area and height in exchange for creating open space and expanding the Willamette River Greenway within the subdistrict.

B. Priorities for the use of bonus and transfer options. Except in IG1, Wwhen FAR will be increased using bonuses or transfers, the following regulations specify which bonus and transfer options must be used before other bonus or transfer options:

1. **Priorities:**

a. Outside the South Waterfront subdistrict. Outside the South Waterfront subdistrict, Unless otherwise specified in Subparagraph B.2.a and b, the first 32 to 1 of any increase in FAR on a site must be earned or gained through use of one of the following options:

(1) a. The affordable inclusionary housing bonus option described in Subparagraph C.2.a.;

(2) b. The Affordable Housing Fund bonus option described in Subparagraph C.2.b.;

(3) c. The historic resources transfer provisions described in Paragraph D.1. In this case, the sending site for the transfer must be in the Skidmore/Old Town historic district or the New Chinatown/Japantown historic district; or

(4) d. The riverfront open space bonus described in Subparagraph C.2.c.

~~b. The next 1 to 1 of any increase in FAR on a site must be earned or gained through the use of one of the following options:~~

~~(1) The affordable housing bonus option described in Subparagraph C.2.a.;~~

~~(2) The affordable housing fund bonus option described in Subparagraph C.2.b.;~~

~~(3) The historic resources transfer provisions described in Paragraph D.1.; or~~

b. Inside the South Waterfront subdistrict. Inside the South Waterfront subdistrict, the first 3 to 1 of any increase in FAR on a site must be earned or gained through use of one of the following options. If the site is in the Greenway bonus target area shown on Map 510-5 and does not trigger the requirements of 33.245, Inclusionary Housing, the first 7,500 square feet of bonus floor area must be earned through use of the South Waterfront Willamette River Greenway bonus option:

(1) The mandatory inclusionary housing bonus option described in Subparagraph C.2.a.;

(2) The voluntary inclusionary housing bonus option described in Subparagraph C.2.b.;

(3) The South Waterfront Willamette River Greenway bonus option described in Subparagraph C.2.d

(4) The open space bonus option described in Subparagraph C.2.e.;

(5) The open space fund bonus option described in Subparagraph C.2.f.

2. Exceptions. The following exceptions apply to the bonus and transfer option priorities specified in Paragraph B.1:

~~a. The South Waterfront subdistrict is exempt from the priorities specified in Paragraph B.1., however within the Greenway bonus target area shown on Map 510-5, the South Waterfront Willamette River Greenway bonus option must be used before any other bonus. Bonus floor area of at least 7,500 square feet from the South Waterfront Willamette River Greenway bonus option must be earned before the project qualifies for other bonus options;~~

~~ab. Floor area transferred legally through a covenant recorded prior to [INSERT EFFECTIVE OF THIS CODE] may be used to increase maximum FAR on a site before using one of the bonus or transfer options listed in Paragraph B.1 until [insert date that is 2 years from effective date];~~

~~bē. Unused floor area earned through a bonus that no longer exists in the zoning code can be utilized on the site where it was earned before using one of the bonus or transfer options listed in Paragraph B.1.~~

C. Floor area bonus options. Additional development potential in the form of floor area is earned for a project when the project includes any of the specified features listed below. The bonus floor area amounts are additions to the maximum floor area ratios shown on Map 510-2. The maximum amount of bonus floor area that a site may earn is 3 to 1:

1. General regulations.

- a. The bonus options are only allowed in situations where stated. Adjustments to the requirements or to the amount of bonus floor area earned are prohibited.
- b. Bonus FAR is only available to sites zoned RH, RX, CX, EX, or IG1 unless specifically stated otherwise.
- c. Projects may use more than one bonus option unless specifically stated otherwise. Bonuses may be done in conjunction with allowed transfers of floor area, however in some cases, certain bonus options must be used before other bonus options can be used or transferring can occur. See Subsection B.
- d. The maximum floor area increase that may be earned through the bonus options must be within the limits for overall floor area increases stated in 33.510.200.D.
- e. Buildings using bonus floor area must not exceed the maximum height limits shown on Map 510-3 unless eligible for bonus height.

2. Bonus floor area options:

a. Inclusionary housing bonus option. For projects in the CX, EX and RX zones that trigger the requirements of 33.245, Inclusionary Housing, a bonus of 1 square foot of additional floor area is earned for each square foot developed and committed as housing, up to an additional floor area ratio of 3 to 1. The additional floor area may be used for housing or non- residential uses. To qualify for this bonus, the applicant must provide a letter from the Portland Housing Bureau certifying that the regulations of 33.245 have been met.

~~a. Affordable housing bonus option. Proposals in the CX, EX, and RX zones that include affordable housing will receive bonus floor area. Up to 3 to 1 FAR can be earned if at least 25 percent of the increased floor area is dedicated to housing affordable to those earning no more than 80 percent of the area median family income. To qualify for this bonus option, the following requirements must be met:~~

~~(1) The applicant must provide a letter from the Portland Housing Bureau certifying that the development meets the standards of this Paragraph and any administrative requirements. The letter is required to be submitted before a building permit can be issued for the development, but is not required in order to apply for a land use review.~~

~~(2) The property owner must execute a covenant with the City that complies with the requirements of Section 33.700.060. The covenant must ensure that affordable dwelling units created using this bonus will remain affordable to households meeting the income restrictions and meet the administrative requirements of the Portland Housing Bureau or qualified administrator for 60 years.~~

b. Affordable Housing Fund bonus option. Bonus FAR is allowed in exchange for payment into the Affordable Housing Fund. Up to 3 to 1 FAR can be earned by paying into the fund. For each square foot of floor area purchased a fee must be paid to the Portland Housing Bureau (PHB). The Portland Housing Bureau collects and administers the Affordable Housing Fund, determines the fee per square foot, and updates the fee at least every three years. The fee schedule is available from the

Bureau of Development Services. To qualify for this bonus, the applicant must provide a letter from the Portland Housing Bureau documenting the amount that has been contributed. The letter is required to be submitted before a building permit can be issued for development, but is not required in order to apply for a land use review.

c. Riverfront open space bonus option. In the EX, CX, and RX zones the riverfront open space bonus provides an opportunity to expand publically accessible open space along the Willamette River. Proposals that provide open space adjacent to the river setback area will receive bonus floor area. For each square foot of open space provided, a bonus of three square feet of additional floor area is earned. To qualify for this bonus, the following requirements must be met:

- (1) Location. The open space must be located outside, but adjacent to the river or greenway setback;
- (2) Size and dimensions. The open space must include at least 2,500 square feet of contiguous area. Each area must be designed so that a 25 foot by 25 foot square will fit entirely within it;
- (3) Ownership and use. A public access easement must be provided that allows for unrestricted public access from 5 am to 12 **midnight am** unless otherwise specified by the terms of the easement;
- (4) Maintenance. The property owner must execute a covenant with the City that ensures the preservation, maintenance and continued operation of the open space by the property owner. The covenant must meet the requirements of 33.700.060, Covenants with the City, and must be recorded and attached to the deed for the open space.

d. South Waterfront Willamette River Greenway bonus option. To complement and enhance the existing public corridor, projects along the Willamette River Greenway in the South Waterfront subdistrict that provide open space for public activity will receive bonus floor area. For each square foot of open space dedicated, a bonus of three square feet of additional floor area is earned. Open space that will earn bonus floor area under Subparagraph C.2.e, Open Space bonus option, may not be used to earn additional floor area under this bonus. To qualify for this bonus, the following requirements must be met:

- (1) Location. The open space must abut the South Waterfront Greenway Area, as shown on Figure 510-2;
- (2) Size and dimensions. The open space must include at least 2,500 square feet of contiguous area; the north-south dimension of the area must be at least twice as long as the east-west dimension of the area;
- (3) Connection to the trail. A direct pedestrian connection must be provided between the open space and any required trail or trail easement on the site;
- (4) Ownership and use. One of the following must be met:

The open space and pedestrian connection must be dedicated to the City; or

- A public access easement must be provided that allows for public access to and use of all the open space and the pedestrian connection.
- (5) Maintenance. The property owner must execute a covenant with the City that ensures the installation, preservation, maintenance, and replacement, if necessary, of the open space features. The covenant must meet the requirements of 33.700.060, Covenants with the City, and must be recorded and attached to the deed for the open space.
 - (6) Landscaping. The open space must be landscaped to meet the requirements of Paragraphs 33.510.253.E. 5.a.(2) and E.5.f.(5) that apply to South Waterfront Greenway subarea 3;
 - (7) Open space features. Public seating such as benches must be provided at a ratio of at least 5 seats per 1,000 square feet of open space; and
 - (8) Timing. The requirements of this paragraph must be met before an occupancy permit for any building using the bonus floor area is issued.
- e. Open Space bonus option. In the South Waterfront subdistrict, proposals that provide open space that may be used by the public will receive bonus floor area. For each square foot of open space provided, a bonus of one square foot of additional floor area is earned. Open space that will earn bonus floor area under Subparagraph C.2.d., South Waterfront Willamette River Greenway bonus option, may not be used to earn additional floor area under this bonus. To qualify for this bonus, the following requirements must be met:
- (1) Size and dimensions. The open space must include at least 2,500 square feet of contiguous area;
 - (2) Ownership and use. One of the following must be met:
 - The open space must be dedicated to the City; or
 - The property owner must record a public access easement that has been attached to the deed for the open space and allows for public access to and use of all the open space;
 - (3) Maintenance. The property owner must execute a covenant with the City that ensures the preservation, maintenance and continued operation of the open space by the property owner. The covenant must meet the requirements of 33.700.060, Covenants with the City, and must be recorded and attached to the deed for the open space.
 - (4) Parks approval. The applicant must submit with the application for land use review a letter from Portland Parks and Recreation stating that the open space features meet the requirements of the bureau, and that the space is acceptable to the bureau; and
 - (5) The bonus floor area may be used only in the South Waterfront subdistrict.
- f. Open space fund bonus option. In the South Waterfront subdistrict, contributors to the South Waterfront Public Open Space Fund (SWPOSF) receive bonus floor area. For each \$22.10 contributed to the SWPOSF, one square foot of bonus floor area is earned. To qualify for this bonus, the following requirements must be met:

- (1) The applicant must submit with the application for land use review a letter from Portland Parks and Recreation documenting the amount that has been contributed to the SWPOSE;
- (2) The bonus floor area may be used only in the South Waterfront subdistrict;
- (3) The SWPOSE is to be collected and administered by Portland Parks and Recreation. The funds collected may be used only within the South Waterfront, either for acquisition, improvement, or maintenance of public open space or for bank restoration or improvement projects along the Willamette River.

~~g. Central Eastside subdistrict industrial space bonus. In the IG1 zone in the Central Eastside subdistrict, proposals that meet the following industrial space requirements earn an additional 1 to 1 FAR for Industrial Office use:~~

- ~~(1) At least 33 percent or 5,000 square feet of floor area, whichever is more, of the ground floor of the building must be for Manufacturing and Production, Warehouse and Freight Movement, Wholesale Sales, or Industrial Service uses;~~
- ~~(2) The minimum floor to ceiling height on the ground floor must be 20 feet; and~~
- ~~(3) The ground floor must include at least one loading door or entrance that serves the industrial space. If more than one industrial space is created then each space must have at least one loading door or entrance, or must have access to a shared loading door or entrance in a common area accessible from each industrial spaces located on the ground floor.~~

D. Floor area transfer options. Transferring floor area (from one site to another) is allowed as follows. The transferred floor area is in addition to the floor area allowed as shown on Map 510-2. There is no limit on the amount of floor area that can be transferred. Transferring floor area is only allowed in situations where stated. Adjustments to the requirements are prohibited. When FAR is transferred from one site to another, the sending site must retain an amount equal to the minimum FAR required by 33.520.200.C., or an amount equal to the total surface parking area on the site multiplied by the maximum floor area ratio allowed shown on Map 510-2, whichever is more. When FAR is transferred from one site to another, the sending site must retain at least the minimum FAR required by 33.510.200.C.2. Lots that are entirely used for surface parking lots are prohibited from being a sending site for an FAR transfer.

1. Transfer of floor area from a Historic Resource. The following regulations apply to transferring floor area from a Historic Resource:
 - a. Purpose. This transfer option improves public safety by encouraging seismic upgrades of historic resources, and encourages the preservation of historic resources by reducing redevelopment pressure.
 - b. Sites eligible to send floor area. In order to send floor area, including unused floor area and an additional 3 to 1 of FAR, the site must:
 - (1) Be in a RH, RX, CX or EX zone, and
 - (2) Contain a Historic or Conservation Landmark or a contributing resource in a Historic or Conservation district for which the Bureau of Development Services verifies that:

- Buildings classified as Risk category I or II, as defined in the Oregon Structural Specialty Code, have been upgraded or shown to meet or exceed the American Society of Civil Engineers (ASCE) 41- BPOE improvement standard as defined in City of Portland Title 24.85;
- Buildings classified as Risk category III or IV, as defined in the Oregon Structural Specialty Code, have been upgraded or shown to meet or exceed the ASCE41- BPON improvement standard as defined in City of Portland Title 24.85; or
- The owner of the landmark or contributing resource has entered into a phased seismic agreement with the City of Portland as described in Section 24.85.070.

c. Sites eligible to receive floor area. Sites eligible to receive floor area:

- (1) Must be zoned RH, RX, CX or EX; and
- (2) Must be within the Central City plan district, but not within the South Waterfront subdistrict.

d. Covenants. The owners of both the sending and receiving sites must execute a covenant with the City. The covenant must meet the requirements of 33.700.060, and must be attached to and recorded with the deed. The covenants may not be revoked or rescinded. The covenants must include the following:

- (1) The covenant for each site must reflect the existing floor area on each site and the respective increase and decrease of potential floor area; and
- (2) The covenant for the sending site must state that the owner will not demolish or relocate the historic resource unless the City approves the demolition or relocation through demolition review.

e. Exceptions.

- (1) Sites with eligible historic resources in a RH, RX, CX or EX zone may elect to transfer floor area to a receiving site outside of the Central City plan district if they meet the standards of 33.120.205.E, 33.130.205.C or 33.140.205.C.
- (2) Sites with eligible historic resources in the R1, R2 and R3 zones may transfer density if they meet the standards of 33.120.205.E.

f. Adjustments. Adjustments to these regulations are prohibited.

2. Transfer of floor area within a subdistrict. In the RX, CX, and EX zones, floor area, including bonus floor area and bonus floor area earned through a bonus that no longer exists in the zoning code, may be transferred between sites. The sites are not required to be abutting, however both the sending site and the receiving site must be located within the same subdistrict. Floor area transfers are subject to the following restrictions:

- The sending site must not be a Historic or Conservation landmark or a contributing resource in a historic or a conservation district;
- If bonus floor area is included in the transfer, the public benefit to be provided in exchange for the bonus floor area must be completed in advance or at the time of

issuing any occupancy permit on the receiving site taking advantage of the bonus floor area; and

c. The property owner(s) must execute a covenant for both sites lots. The covenants must comply with the regulations of 33.700.060, must be recorded with the deeds for each lot, and must reflect the existing floor area on each site and the respective increase and decrease of potential floor area.

3. Transfer of floor area between subdistricts. Floor area, including bonus floor area and bonus floor area earned through a bonus that no longer exists in the zoning code, may be transferred between sites in the University District/South Downtown and the Downtown subdistricts. Floor area transfers are subject to the following restrictions:

a. The sending site must not be a Historic or Conservation landmark or a contributing resource in a historic or a conservation district;

b. If bonus floor area is included in the transfer, the public benefit to be provided in exchange for the bonus floor area must be completed in advance or at the time of issuing any occupancy permit on the receiving site taking advantage of the bonus floor area; and

c. The property owner(s) must execute a covenant for both lots sites. The covenants must comply with the regulations of 33.700.060, must be recorded with the deeds for each lot site, and must reflect the existing floor area on each site and the respective increase and decrease of potential floor area.

33.510.210 Height

A. Purpose. The building height standards are intended to implement and balance multiple objectives of the Central City 2035 Plan. Generally, the tallest heights in the Portland region are applied in the Central City to support its role as the region's premier center for jobs, services, and urban living. Other objectives include:

- Locating the tallest building heights along the Transit Mall and high-capacity transit lines;
- Protecting designated public views;
- Varying building height across the Central City;
- Generally, stepping down height to the Willamette River and neighborhoods adjacent to the Central City;
- Emphasizing bridgehead locations with taller buildings;
- Limiting shadows on public open spaces; and
- Ensuring building height compatibility within historic districts.

B. Adjustments. Adjustments to the height standards in this section are prohibited.

C. Base height.

1. Base heights are shown on Map 510-3. Heights greater than shown on Map 510-3 are allowed through the bonus height or transfer options as specified in Subsections D. and E.

2. Exceptions. The following are allowed to extend above the base heights shown on Map 510-3 except in a view corridor shown on Map 510-20, and where the bonus height limit shown on Map 510-4 is the same as on Map 510-3. Small wind turbines are subject to the standards of Chapter 33.299:

- a. Chimneys, vents, flag poles, satellite receiving dishes, and other similar items that are attached to a building and have a width, depth or diameter of 5 feet or less may extend 10 feet above the base height limit, or 5 feet above the highest point of the roof, whichever is greater. If the item is greater than 5 feet wide, deep, or tall, it is subject to the height limit;
- b. Parapets and railings. Parapets and rooftop railings may extend 3.5 feet above the base height limit;
- c. Walls or fences located between individual rooftop decks may extend 6 feet above the base height limit if the visual screen is set back at least 4 feet from the edges of the roof;
- d. Rooftop mechanical equipment and any required screening and stairwell enclosures that provide rooftop access may extend above the base height limit as follows if the equipment and enclosures are set back at least 15 feet from all roof edges on street facing facades:
 - (1) Elevator mechanical equipment may extend up to 16 feet above the base height limit; and
 - (2) Other mechanical equipment and any required screening and stairwell enclosures that cumulatively cover no more than 10 percent of the roof area may extend up to 10 feet above the base height limit;
- e. Roof mounted solar panels may extend above the height limit as follows:
 - (1) For flat roofs or the horizontal portion of mansard roofs, solar panels may extend up to 5 feet above the top of the highest point of the roof; and
 - (2) For pitched, shed, hipped or gambrel roofs, solar panels must be mounted no more than 12 inches from the surface of the roof at any point, and may not extend above the ridgeline of the roof. The 12 inches is measured from the upper side of the solar panel; and
- f. Antennas, power poles and public safety facilities.

D. Bonus height options. Bonus height can be achieved through the following options:

- 1. Bonus height in the South Waterfront subdistrict. Within the South Waterfront subdistrict, buildings receive bonus height if they include bonus floor area or floor area transferred onto the site. Buildings that include any floor area achieved through bonuses or from transfers onto the site earn a height bonus of 125 feet, up to a maximum building height of 250 feet. The additional height may not be applied to any portion of a building within 150 feet of the top of bank-line as shown on Map 510-21, South Waterfront 2002 Top of Bank Line. Projections above the bonus height limit are prohibited.
- 2. South Waterfront height opportunity area.

- a. Purpose. In the core of the South Waterfront subdistrict, additional building heights may be appropriate to support the goals of the South Waterfront Plan. The regulations of this subsection are intended to:
- Support the growth of an Innovation Quadrant in the Central City;
 - Provide diverse housing opportunities;
 - Support the density goals of the subdistrict while ensuring quality design;
 - Create additional opportunities for visual access through the subdistrict;
 - Promote the development of slender towers with an east-west orientation;
 - Develop an exceptional and varied skyline enhancing the district's setting against the Tualatin Hills to the west and the Cascade Range to the east;
 - Establish and maintain a pedestrian environment with access to sunlight;
 - Contribute to the district's urban variety, adding visual interest at the pedestrian level and from vantage points outside of the district;
 - Create an urban form that is visually permeable; and
 - Continue to maintain all protected public views and view corridors, on the east and west side of the Willamette River, as identified in adopted plans.
- b. Additional building height may be requested as a modification through design review as follows:
- (1) The site must be in the South Waterfront height opportunity area shown on Map 510-16;
 - (2) The maximum height that may be approved is 325 feet, including projections, roof top mechanical equipment, and any other structures that project above the roof of the building;
 - (3) One of the following must be met:
 - The average floor-to-floor height in the building is at least 16 feet and floors of the building above 75 feet are 25,000 square feet in area or less; or
 - Floors of the building above 75 feet are 10,000 square feet in area or less;
 - Adjustments to the standards of this subparagraph are prohibited; however, modifications through design review may be requested as follows:
 - A modification to the 25,000 square foot limitation in D.2.b(3) may be requested;
 - A modification to the 10,000 square foot limitation in D.2.b(3) may be requested if the north-south dimension of the building above 75 feet is 112 feet or less. The north-south dimension is measured as specified in 33.510.251.A.3.e. However, modifications to allow floors larger than 12,500 square feet are prohibited;
 - (4) The portion of the proposed building that is greater than 250 feet in height must be at least 200 feet from the portion of any other existing or approved building that is greater than 250 feet in height, and that used the provisions of this

subsection to achieve additional height. Approved buildings are those with an unexpired design review approval. Adjustments to this standard are prohibited; however, modifications to the 200 foot minimum distance requirement may be requested through design review. In reviewing such a request, the review body will consider the results of the South Waterfront Public Views and Visual Permeability Assessment for the proposal;

- (5) Where a block is less than 80,000 square feet in area, only one building on the block may use the provisions of this subsection. Where a block is at least 80,000 square feet in area but less than 120,000, only two buildings on the block may use the provisions of this subsection. Where a block is at least 120,000, only three buildings on the block may use the provisions of this subsection.

Applications for land divisions of sites that include a building that has used the provisions of this subsection must show how the land division will not move the site out of conformance with this subsection;

- (6) The applicant must contribute \$10.80 to the South Waterfront Public Open Space Fund (SWPOSF) for every square foot of floor area over 250 feet in height. The contribution to the SWPOSF must be made before the building permit is issued for the building. Contributions to the fund used to earn bonus floor area under 33.510.205.C.2.f, Open space fund bonus option, do not count towards meeting this requirement. Adjustments to this standard are prohibited; and

- (7) The applicant must request advice from the Design Commission as described in 33.730.050.F. The design advice request must be submitted before the request for a pre-application conference. In providing their advice to the applicant, the Design Commission will consider protection and enhancement of public views from both the east and west, as identified in adopted plans; development of a diverse, varied and visually interesting skyline; and creation of a district that is visually permeable. These factors will be considered at different scales, including the site of the proposal, the site and adjacent blocks, and the subdistrict as a whole.

3. North Pearl height opportunity area.

a. Purpose. In the North Pearl subarea, additional building height may be appropriate to support the goals of the Central City 2035 Plan. The regulations of this subsection:

- Encourage a varied and exceptional skyline that allows visual permeability through the district and light and air to penetrate down to the pedestrian environment;
- Allow for the development of tall buildings when they incorporate a mix of land uses and programming objectives;
- Encourage the use of development bonus provisions;

b. When increased height is allowed. In the North Pearl Height Opportunity Area maximum height can be increased as described in Subparagraphs D.3.c. through D.3.e. if:

- (1) The site is in the North Pearl height opportunity area shown on Map 510-16;

(2) The floor area of the building above the maximum height limit shown on Map 510-3 is:

- Earned through bonus FAR provisions;
- Transferred by a Central City Master Plan; or
- Transferred from a Historic Resource in conformance with 33.510.205.D.1.

c. Review procedure. Additional height must be approved as a modification through design review.

d. Sites located between NW Naito Parkway and the Willamette River. The maximum height on sites located entirely between NW Naito Parkway and the Willamette River may be increased to 250 feet if the building façade facing NW Naito and the Willamette Greenway is not wider than 120 feet in length. Projections above the bonus height limit are prohibited.

e. All other sites in the North Pearl Height Opportunity Area. The building heights shown on Map 510-4 may be allowed on sites that are not located between NW Naito Parkway and the Willamette River. However, if the building is proposed to be more than 175 feet tall, the maximum floor area of all floors located above 100 feet is limited to 12,500 square feet.

43. Bonus height earned through a bonus or transferred FAR. Except for sites in the South Waterfront height opportunity area, and sites in the North Pearl height opportunity area, the bonus heights shown on Map 510-4 are allowed as follows. Projections above the height limits shown on Map 510-4 are prohibited:

- The site must be shown on Map 510-3 as eligible for a height increase;
- The proposal must earn an additional FAR of at least 1 to 1 through use of one of the following FAR bonus or transfer options:
 - The affordable inclusionary housing bonus option of Subparagraph 33.510.205.C.2.a;
 - The Affordable Housing Fund bonus option of Subparagraph 33.510.205.C.2.b; or
 - The historic resource transfer of Paragraph 33.510.205.D.1.
- Proposals for more than 75 feet of bonus height must meet the additional approval criteria of Subparagraph D.4.e.; and
- Proposals for bonus height on sites shown on Map 510-4 as requiring a shadow study must provide a shadow study with the information described in Subsubparagraphs D.3.d(1) and D.3.d(2):
 - The shadow study must show the shadow cast by the proposed buildings or other structures every hour between sunrise and sunset on the 21st of March, June, September and December; and
 - The shadow study must show that the shadow cast by the proposed buildings or other structures ~~must does~~ not cover more than 50 percent of the adjacent

open space at noon on March 21, June 21 and September 21, and no more than 75 percent of the adjacent open space-at noon on the December 21, and 3:00 pm on March 21, June 21, and September 21. Adjacent also includes open space sites across a right-of-way from the site subject to the shadow study standard requirement.

e. Proposals for bonus height on sites within the North Pearl Height Opportunity Area shown on Map 510-16 must meet the following:

(1) Bonus height is allowed on sites located entirely between NW Naito Parkway and the Willamette River if building façades that face NW Naito Parkway or the Willamette Greenway are not wider than 120 feet in length; and

(2) Bonus height is allowed on sites that are not located between NW Naito Parkway and the Willamette River when the following are met:

- The building is not taller than 175 feet; or
- If the building is taller than 175 feet, the floors of the building above 100 feet must not be more than 12,500 square feet each.

ef. Approval criteria. The following additional approval criteria apply to proposals for more than 75 feet of bonus height. The bonus height will be approved if the review body finds that all of the following have been met:

(1) The increased height will not violate an established view corridor as shown on Map 510-20; and

(2) If the site is within 500 feet of an R zone, the proposed building will not cast shadows that have significant negative impacts on dwelling units on R-zoned land.

f. Approval criterion. If the site is within 500 feet of an R zone located outside the Central City plan district, proposals for more than 75 feet of bonus height will be approved if the review body finds that the proposed building will not cast shadows that have significant negative impacts on dwelling units located on the R zoned land that is outside the Central City plan district but within 500 feet of the site.

E. Open space height transfers.

1. Purpose. These regulations provide an incentive for the creation and development of needed open space in the Central City plan district.

2. Requirements for open space areas eligible for the height transfer.

a. The proposed open space area must be in the Central City plan district outside of the South Waterfront subdistrict. The site is subject to the review requirements stated in Paragraph E.4.

b. The area designated for the open space must be dedicated to the City as a public park. The minimum size of the open space must be a full block at least 35,000 square feet in size. However, the open space may be 20,000 square feet in size if located along the alignment of the North Park Blocks.

- c. All park improvements must be made by the applicant prior to dedication to the City. The improvements to the park are subject to a design review using the specific area's design guidelines.
- 3. Amount of height potential that can be transferred. The allowed height at the proposed open space site may be transferred within the Central City plan district consistent with the limits stated below.
 - a. The maximum amount of height that may be transferred is 100 feet. The transfer may only be to a site eligible for additional height as shown on Map 510-3. Increases in height that result in buildings greater than the maximum height shown on Map 510-4 are prohibited. The transferred height may not be used in addition to any bonus heights allowed by Paragraph D.4.
 - b. The open space site must be dedicated to the City before the issuance of building permits for the building receiving the increased height.
- 4. Design Review.
 - a. Procedure. The review is processed with a Type III procedure. The Parks Bureau will provide advice to the Design Commission.
 - b. Approval criteria. The proposed open space site will be approved for the height transfer if the review body finds that the applicant has shown that all of the following approval criteria are met:
 - (1) The proposed site will help to alleviate an area's identified projected future open space deficiency. This determination is based on such things as proximity to parks, proximity to people living or working in the Central City plan district, and how the site relates to the Central City 2035 Plan's park and open space policies;
 - (2) The proposed improvements on the open space site are consistent with the design guidelines for the area; and
 - (3) The Parks Bureau approves of the site.