

## Portland Planning and Sustainability Commission

March 14, 2017

12:30 p.m.

### Meeting Minutes

**Commissioners Present:** Jeff Bachrach (arrived 12:58 p.m.), Andre' Baugh, Mike Houck, Katie Larsell, Katherine Schultz, Chris Smith, Maggie Tallmadge, Teresa St Martin (arrived 12:47 p.m.)

**Commissioners Absent:** Gary Oxman, Michelle Rudd, Eli Spevak

**City Staff Presenting:** Joe Zehnder, Eric Engstrom, Bill Cunningham, Sara Wright, Sallie Edmunds, Rachael Hoy, Tyler Bump; Art Pearce, April Bertelsen, Denver Igarta, PBOT

**Other Presenters:** Dan Bower, PSI; Eric Hesse, TriMet

*Chair Schultz* called the meeting to order at 12:34 p.m. and gave an overview of the agenda.

### Documents and Presentations for today's meeting

#### Items of Interest from Commissioners

- *Commissioner Houck* noted he sent the program for the April 26 event. One of my hopes was to have the 2018 international symposium here, but as it turns out, based on the federal administration we now can't have two of the scheduled presenters come to this year's event. The ripple effect from the federal level is having a huge impact, and the 2018 symposium likely won't be in the US. I'm hopeful it will at least be in Vancouver BC.
- *Commissioner Larsell* in on the BHBD focus group, which we'll be briefed on today.

#### Director's Report

Joe Zehnder

- This morning at Council, Susan presented the Portland Plan status and progress report; it was well received. We will have a briefing about it at the April 11 PSC meeting, and it was just posted [online](#).
- Today is the last scheduled CC2035 Plan work session. If we're able to get through it all today, we won't need the March 28 PSC meeting.

#### Consent Agenda

- Consideration of Minutes from February 28, 2017 PSC meeting

*Commissioner Smith* moved to approve the Consent Agenda. *Commissioner Baugh* seconded.

The Consent Agenda was approved with an aye vote.  
(Y6 – Baugh, Houck, Larsell, Schultz, Smith, Tallmadge)

#### Transit Project List for Regional Transportation Plan (RTP)

Briefing: Art Pearce, April Bertelsen, Dan Bower, Eric Hesse

Art provided an overview of today's presentations related to transit and the RTP update. He reminded the Commission of Metro's 2040 Growth Concept and the regional growth strategy focused on centers and corridors. Not all centers and corridors are currently well served by transportation options.

There has not been a lot of growth in bus ridership in recent years, but there has been in rail. The 2018 RTP Update will update the 2009 Plan. For Portland, Division BRT and SW Corridor are the highlighted areas. Frequent bus service also needs to be focused on to carry the level of ridership we expect. With growing congestion, buses are being delayed as a ramification of how we're managing our streets.

As population and employment growth continues in the region, the core frequent transit network, comprised mostly of buses, is in danger of being overwhelmed by increased ridership demand and traffic congestion in high-growth corridors. The frequent transit network serves many part of the region that Light rail does not (and could not). We need the frequent transit network to work well.

Growing transit communities and enhancing transit corridors are how we can best add to service. Enhanced transit, a pipeline of less-extensive options that can be built on a quicker timeframe, is something we particularly heard in the last TSP process. We need to have tools available for all areas of the city that is appropriate to the different geographies.

We just finished the TSP, and we're now working on the RTP, which will inform future updates on the TSP. We're aiming for a July response for a call to projects for the RTP process.

April highlighted the TriMet partnership for the Growing Transit Communities Plan and the Enhanced Transit Corridors Plan.

Goals of the *Growing Transit Communities*: Develop transportation investment plans for a few transit corridors that help support both frequent transit service and multi-modal transit-oriented development. All of these help grow transit communities. Three corridors were identified: Line 20, Line 77 and Line 87. Nine criteria were used to evaluate, as well as input from the community; we now have draft investment plan for each corridor. We are looking at investment options and have recently been awarded a Metro grant.

#### *Enhanced Transit Corridors*

Transit plays an important role in accommodating our growth expectations and other goals. With buses now getting caught in congestion, it's taking longer and longer to complete bus trips. This is the "missing middle" of transit... not to the scale of HCT, but increased capacity, reliability and transit travel speeds. Transit signal priority, queue jumps, longer buses and enhanced bus stops are options.

Goals of enhanced transit corridors include:

- Support planned growth in centers and along corridors consistent with the City's Comprehensive Plan update.
- Define and identify "Enhanced Transit Corridors".
- Establish operational performance measures and thresholds.
- Guide prioritization of capital and operational investments.

There are 10 corridors identified for future study. We have criteria including transit reliability, current ridership, equity, and forecasted population and job growth.

When staff returns in June, we hope to have a prioritized list of enhanced transit corridors, segments or hot spots; a proposed toolbox of potential treatments; and the RTP project submittal list. Hot spots are where there may be just one spot, or a spot that serves multiple lines, where we're seeing particular delays.

Dan gave an update about Portland Streetcar Inc. and how it's fitting into the region in terms of transit and growth. All three streetcar lines run at 15 minute headways. February had the most number of riders in any month at 16,300 riders. There is a growth streetcar community country-wide. We have a responsibility to invest in our system to keep it up to speed.

Based on growth projections, we need to be thinking ahead to ensure we can keep up with growth. 66 percent of trips on the streetcar are people riding from home. 38 percent of households on the streetcar lines do not own cars. We are trying to get more streetcars on the tracks soon, but they are slow to produce and get here. We're also looking at building out more lines and coordinating and tying in with new projects.

Four priority streetcar lines under consideration. Through analysis, these potential corridors have been identified to see where streetcar can both work and be transformative. There are 16 criteria, including cost, operating costs, equity impacts, ridership potential and if the FTA will help pay for it. We've learned from previous engineering and circulation limitations. We used the TriMet equity index to review potential alignments, which includes 10 different factors.

The next steps: we're seeing lots of support for Broadway-Hollywood to Montgomery Park line. There are projects that could work more on a local level. The PSI board voted to send a letter to the City to say when the RTP is updated to include the project of buying more trains and adding the Broadway expansion to the constrained list.

*Commissioner Smith:* In the enhanced transit, you used the word "free-flowing". I get suspicious when we use this term for cars. Is this the goal for transit? Or something more realistic?

- When the bus is least delayed; 90 percent of the time versus when it's most delayed is a goal. We might not get the free-flow, but we want to reduce the delay.

One trend I'm seeing nationally is all-door boarding. Is TriMet considering going to all-door boarding?

- Eric: This is a tool we're identifying in our toolkit. The fast pass does help with some of this, so we'll see about this as an option.

In other contexts, we've talked about congestion pricing. Is there consideration of using this to encourage cars to get out of the way?

- At this point, it's notional. The Mayor is open to this as a tool, and more entities are becoming more interested. We haven't yet figured out at what scale we could produce and deploy a system like this. There has not yet been an initiative to do an analysis of this, but it is something that could be warranted.

In terms of streetcar, first I do want to disclose that I am on the PSI board. When I first started, as a neighborhood representative, I was very supportive of the Broadway-Montgomery Park expansion. But if we ask the question of what streetcar project will be most transformative, I might come up with Sandy as the answer, even knowing there is lots of work to do. How do we balance the different opportunities?

- This is a tricky question since both are independent travel and economic markets. They both end in Hollywood, which also confuses the question. It could be that both are the right idea. For the sake of the RTP, we need to focus. The Sandy project likely needs to go over the Burnside Bridge, and the replacement project is probably 10-15 years out. So we're looking at different timelines potentially. The Broadway community is closer, while the Sandy option is less cohesive. Funding is also a big consideration. If I have to find \$20M in private money, I need to go where people will support the effort financially.

*Commissioner Tallmadge:* I'm frustrated that the highest score of equity is 18, yet you decide to go ahead with the projects. These don't benefit most people of color. Who are we benefiting from these public investments? I'm frustrated we keep leaning to these projects in Portland.

- Dan: The analysis is out of 30, but I agree that there are many challenges. We also have a displacement analysis. To the extent the streetcar is expected to pay for itself, that does drive the conversation of this.
- The streetcar investment is only one piece of an array of investments, and there are other tools we're targeting for other areas. We are looking at the complimentary moves and projects and products that work in the context of each area.

I appreciate the discussion about coupling projects and would like to see these partnerships happen more.

- We've now gone through the technical analysis, but before anything moves forward, we need a much broader outreach and perspective to get the most out of each project.

What was the process to create the original system concept map in 2009?

- There was an extensive public involvement process, so it was very much around desire with some feasibility constraints. We pushed PSI to do the extra work to see about development outcomes and feasibility of the lines.
- We did charter groups in each of the five quadrants to get input about which streets could be candidates for streetcar lines.

*Commissioner Baugh:* When we talk about packaging projects, TriMet understands the need for housing to be included when they're expanding lines. I would suggest that streetcar can't be built without a low-income affordable housing strategy, particularly around the Broadway line. Today's presentations didn't mention affordable housing. I would encourage streetcar to mirror fares based on TriMet's low-income fare.

I'm a huge fan of the enhanced transit. The confusion is about the slowness on 162<sup>nd</sup> Ave currently. I would also ask that PSI does a Title VI assessment that TriMet does for FTA.

- Part of the confusion is the word "enhanced". TriMet is about a plan to make better service or new service, which could be an array of options. When we talk about enhanced transit corridors, we're focused on getting above frequent service. 162<sup>nd</sup> would be a new line, introduced at less than frequent service just to get the line running. The investments PBOT would bring would be things like bike/pedestrian facilities.
- We are trying to partner with TriMet to support both lines that are less than frequent service today as well as enhancing more lines that are already at frequent service.

*Commissioner Larsell:* Lots of the north-south lines have been so under served. There is a virtuous cycle of frequency.

*Commissioner Smith:* I appreciate the growing transit communities work. I'd like to talk in June about recommending submitting two streetcar projects and what that would mean.

## **Better Housing by Design (BHBD)**

Briefing: Bill Cunningham, Denver Igarta

Bill provided an overview of the partnership with PBOT to (a) revise the Zoning Code and development and design standards, the BPS portion, and (b) develop new approaches to creating street and pedestrian connections in places that lack them, the PBOT portion. We are focused on improving the zoning code, not the multi-dwelling mapping.

We are responding to the new Comprehensive Plan policies while acknowledging the gap between the goals and what is being built; we are trying to narrowing this gap.

We have key equity considerations in terms of costs and affordability; incentives for affordable housing; new approaches to encourage physically-accessible units; and how our regulations affect people living in multi-family housing.

Project topics include:

- Site design and healthy active living
- Building design and scale
- Street connectivity
- Development bonuses

Bill highlighted issues that are being considered for each topic area.

*Commissioner Houck* noted The Ramona, which has solar watering heating, as well as a green roof under it. I'd like to see more options and buildings like this.

I appreciate the recognition of the need for and the role of open space. There was a great article in the NYT the other day that talked about how housing is not enough. I'm pleased that lots of these images recognize this.

Denver shared the PBOT portion of this work, the Connected Centers Street Plan. This is fully integrated into the BHBD work. We are able to work side-by-side and meet with the community. This work came directly from the Comp Plan to achieve better connectivity in eastern neighborhoods.

We have lines on maps, but that often doesn't result in what's needed to accommodate growth. We are focused on neighborhoods, particularly in the Jade District and Rosewood Center. We are hoping to address the lack of connectivity issues; large blocks that make it difficult to reach neighborhood destinations; poor bike and pedestrian accessibility; limited road space; and preserving trees.

There are a number of work group meetings that are focused on different areas and issues. There will be a public workshop on the compiled code concepts on June 3, and we'll return to the PSC later in the year.

*Commissioner St Martin:* In thinking about "where trees are in the way of sidewalks", do you have ideas for improving connectivity with less-straight sidewalks?

- We are looking at options to provide flexibility in sidewalk design. We need to understand the context to know how much flexibility we do have in specific areas.

*Commissioner Bachrach:* As I look at what you're doing, you showed us inner-city multi-dwelling zones, and then we moved to East Portland. It seems like the ZC doesn't work for both areas of the city. I encourage you not to get hung up with the zones as a common denominator.

- We are trying to keep an open mind then see what we can do to get us there.

*Commissioner Smith:* I can see a challenge as you're talking with the community that those who complain to us about ugly buildings aren't distinguishing between the mapping and zones.

- There is some inherent confusing here. We do try to highlight that very often multi-dwelling zones are not in the core zones, and we need to be clear about what this project is able to address. Height is also a question that has come up from commercial and affordable housing builders as well.

*Chair Schultz:* I appreciate the unique approach to community involvement. Do you think you'll be able to identify where there is or isn't consensus? I want to make sure there is a thread bringing everything together (not necessarily the consensus) to form the big picture. I'll be curious to hear how that process goes.

- We have framed it that there isn't a desire to come to consensus with these work groups. Staff will consider the various issues and perspectives. The meetings are open to anyone who's interested.

## **Community Involvement Committee Recruiting Process**

Briefing: Sara Wright

Sara introduced the process we're working on to set up the new CIC, which will become effective along with the new Comp Plan. This takes you back to last year, when you reviewed the Community Involvement Program, which is an Early Implementation Project of the Comprehensive Plan. The Community Involvement Committee is one element of that. The group will support City staff, review the goals and policies in Chapter 2, and making them come alive.

The 2035 Comp Plan directs the City to establish the new CIC to talk on Oregon Statewide Planning Goal 1. Chapter 2 has lots of robust goals, and this is an opportunity for a new group to dig into this work. This will be an advisory body that will support and advise staff and revise and update the manual. The process of establishing a charter and recruiting and selecting members will take place after adoption of the Comp Plan. BPS staff are already working with Office of Neighborhood Involvement and will work with other groups including Office of Equity and Human Rights and the Public Involvement Advisory Council to establish a process based on best practices.

There are a number of *draft* selection criteria. We are required to have a geographic representation and representation from people who are eager to learn and seek out new information to come up with creative ideas.

We are doing outreach in the next few months, open the application window this summer, then do a review and selection process in the fall. We will have two months of training for the new CIC members so they are up to speed when the committee is effective when the new Comp Plan is in 2018.

*Commissioner Tallmadge:* What does “community” mean?

- The code language is intentionally not specific so we include lots of diverse experiences. We are leaving this open to interpretation.

CCC has a number of leadership development programs, so I’d like to suggest you reach out to these groups specifically.

*Commissioner St Martin:* What is the size for the committee?

- The code says 5-12 members. We’ll likely start small and see what we need to add, but it will depend on applications we receive.

*Commissioner Baugh:* Thank you. I would like to see the list of members when that’s set.

*Chair Schultz:* On the interest form, it says the CIC *may* report to the PSC.

- The expectation is to have an active relationship both with the PSC and PIAC.

## **Central City 2035 Plan**

Work Session: Sallie Edmunds, Rachael Hoy, Tyler Bump

Sallie introduced today’s work session. This is our sixth work session on the CC2035 Plan, and we hope to finish today so we can return on April 11 for your final recommendation on the Recommended Draft.

### **Bonuses and Transfers**

*Decision Table Q, Part 2; Decision Table I, Part 3; FAR and height code amendments attachment*

Rachael noted the summary of the bonus and transfer system document. We have 19 bonuses and 5 transfers. Through the proposed draft, we prioritized affordable housing with 2 new bonuses and other specialized bonuses based on areas. In terms of transfers, we focused on historic resources as well as the inner-subdistrict transfer. We are looking at Table Q, but we don’t have specific items to discuss from this table.

Rachael also reminded the PSC about the new Inclusionary Housing program and implications in the Zoning Code and the Housing Code. In the Central City, it will be applied based on FAR.

There are off site options to satisfy the IH requirements whether someone is proposing new development or dedicating units in existing buildings. Generally the options are based on deeper affordability and more total units. Also in the CC, sites that don’t trigger IH may use the historic resources transfer or the affordable housing fund.

### *Item 132*

Today with the affordable housing bonus as approved through the IH program, each project would earn 3 to 1. This would be floor area equal to 3 times the area of the whole site. This would be hard for large sites with multiple projects because the maximum a site can earn is 3 to 1.

Staff's proposal is to set up a bonus similar to the existing residential bonus by building 1 square feet of bonus floor area earned for each square feet committed to residential uses up to a maximum of 3:1.

*Commissioner Bachrach:* When IH passed, it was talking about number of units, not square footage. Does this change anything substantive?

- This isn't a big change for smaller projects. We are trying to look at a large site, e.g. for a Master Plan.
- *Chair Schultz:* It's always been about FAR as the bonus was written.
- Tyler: If you trigger 20 units or more, you get 3:1 on the site. For the issue of a situation on a 5:1 base but you have 4:1 FAR of commercial, you might not get the 3:1 FAR bonus. But this will be a very small number of projects.
- Joe: It's 3:1 on all residential, which is what we did in the IH code.

*Chair Schultz:* Couldn't we say, once the 3:1 has been earned on the site, it can't be earned again, but it can be moved around on the site?

Joe: We need to go back and confirm this. There has been no change in the IH program; if you meet the criteria, you get 3:1. And 3:1 in the Zoning Code is based on the site, so it's not really related to the square footage for residential space. If this is correct (Tyler will check), we really just don't need this amendment.

Rachael: Maybe a different approach is to base it on the size (above 40,000 square feet).

*Chair Schultz:* Why does a large site get penalized?

- If each building on a site triggers the 3:1, another project under a different ownership wouldn't have access to that 3:1 if this is what we're saying.

Staff will bring *Item 132* back to the April 11 meeting for a final discussion and recommendation. We know you can't "double-dip", so we'll look at how we can regulate this.

### *Items 133 and 134*

*Commissioner Smith:* I own a single condo unit rental in the North Pearl. After speaking with the City Attorney's office, we have determined if there is a conflict of interest, it is only a potential conflict, so I just need to disclose this but have been ok'd to participate in this discussion.

*Item 133:* The new IH program creates an opportunity to revisit areas in the Central City to update FAR in the North Pearl. With the new 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.

An increase in base FAR from 4:1 to 5:1 could help ensure that density goals for the area are met. And making this area eligible for an inclusionary housing incentive package that encourage more affordable housing in the area.

*Item 134:* This proposes to set height in the North Pearl area that currently is unlimited. The proposal is to set the heights at 350 feet. Similar to the proposed change to FAR in this area, the current unlimited heights are tied to the use of specific FAR bonuses and transfers that are proposed to be eliminated.

Staff needs a way to simplify the height map in this area and assign a realistic height based on how the area has developed. No buildings have gone above 350 feet, and having it be unlimited height gives a false impression of what they could attain on the site. 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.

#### *Item I33*

*Commissioner Tallmadge:* Was there a proposal to add anything about family-sized units in IH at Council?

- It calculates per square feet for residential floor area so you can reconfigure your bedrooms differently than the exact number of units in the building. It's a percentage of bedrooms or percentage of units.

*Commissioner St Martin* asked about the 4:1 remaining. Why doesn't this go to 5:1 as well?

- This is part of a historic district.

*Commissioner Bachrach* moved to accept item I33 as proposed by staff. *Commissioner Baugh* seconded.

(Y8 – Bachrach, Baugh, Houck, Larsell, Schultz, Smith, Tallmadge, St Martin)

#### *Item I34*

*Commissioner Bachrach:* I'm concerned that, while we don't need the unlimited height options since we've scaled back some of the bonuses, we still shouldn't limit the height in these areas.

- We want to be more realistic on the heights. We've tended to see 325 feet, and there is nothing over 350 feet here. It will also align with the new structure we're proposing for bonuses and transfers.

We haven't had a public hearing on changing heights, so we are limiting what owners thought was the height. So what's the harm in leaving the map as-is?

*Chair Schultz:* The North Pearl wants the unlimited heights. This is what we heard in the West Quadrant process. So I don't know why we don't allow it to be unlimited, considering we haven't changed the massing. Combined with today's world, yes, there are some economic issues with tall, slender buildings. But we don't know about the future.

View corridors would be set up to 400 feet. What we were proposing was to simplify the map.

Nicholas: We mistakenly allowed bonus height along what would be the extension of 12<sup>th</sup>, so I'd suggest we eliminate that if you don't take staff's recommendation on limiting height.

Mindy: 12<sup>th</sup> Ave is a view street with the 100-foot limitation, so we're asking that we put this limitation back on the map for the view.

Joe: To be consistent, the map that we would like to get a vote on would be the proposed draft as amended on November 16, 2016, plus the addition of the 12<sup>th</sup> Ave view corridor.

*Commissioner Houck* moved to accept the map dated November 16, 2016 with the addition of the height limit on the 12<sup>th</sup> Ave view corridor. *Commissioner St Martin* seconded.

(Y8 – Bachrach, Baugh, Houck, Larsell, Schultz, Smith, Tallmadge, St Martin)

#### *Item I35*

*Chair Schultz* recused herself from this discussion. *Vice Chair Smith* presided.



New IH program creates an opportunity to revisit areas in the Central City to update FAR in RiverPlace. The increase is to align with the building height increases that have been tentatively approved. This slight increase in FAR will help support the scale of development appropriate for this area. This area is a key redevelopment site where staff would like to encourage residential development and affordable housing. Increasing the FAR to 5:1 makes the area eligible for a better inclusionary housing incentives package that may encourage redevelopment more quickly.

We are proposing changing the FAR but staying within the height envelop already proposed by the PSC. 5:1 just gives more opportunity for affordable housing here.

*Commissioner Houck:* Is there an opportunity to recapture the greenway through this area?

- Joe: The PSC didn't act to do anything when we last discussed this.
- Rachael: We did talk with PBOT about changing some classifications in this area, but the PSC decided not to move forward.

I think we should be looking at this as an opportunity.

*Commissioner St Martin:* Looking at the shape of the 5:1 proposed area, there isn't an actual line being followed.

- We tried to follow property lines. The main difference is that we haven't included an area close to the river, where we try to maintain the step-down. We did not propose increased heights here, so we're proposing to keep this at 4:1.

Why wouldn't this just stay at 6:1 with the same height control?

- Looking at the heights and the size of the lots, we feel 5:1 is an appropriate increase, but that 6:1 would be too much. Heights immediately to the west gradually get into the 250-foot range.

We feel like getting away from 4:1 in the Central City is good. It opens us up to see the additional FAR used for affordable housing.

*Commissioner Houck:* In addition to transportation impact concerns, I'm assuming in the 4:1 area with all the parkland there, we wouldn't want to add FAR.

- Yes, we step down to the riverfront for a similar reason.

*Commissioner Baugh* moved staff's recommendation on *Item I35*. *Commissioner Houck* seconded.

(Y7 – Bachrach, Baugh, Houck, Larsell, Smith, Tallmadge, St Martin)

### *Item I30*

Commissioner Tallmadge has requested to pull Item I30 for discussion. Items I30 and I31 are technical code fixes that staff proposes. Staff did not mark these for discussion but here is a brief summary of the changes. Code in the proposed draft was provisional; now that we have IH we have to make some changes to integrate the new language.

The biggest change is the priorities for earning FAR in light of the adoption of the mandatory inclusionary housing program and code and the affordable housing priority.

If you're not a residential project, or if you don't otherwise trigger the affordable housing bonus, what about using the voluntary program? That was talked about during the IH process, but PHB would rather those sites pay into the affordable housing fund so they can develop a site that has more affordable units.

*Commissioner Tallmadge:* If someone in SOWA wants a 3:1 bonus, the priority there is a greenway expansion.

- Yes, the 2002 SOWA Plan set priorities for that area. If you do trigger affordable housing, this is like any other subdistrict. If you don't trigger affordable housing, if you're on the SOWA

greenway, you go to the greenway bonus first, then the other options. We propose to maintain that prioritization for SOWA.

*Commissioner Houck:* I have heartburn over IH being the priority here. If there isn't a trigger, I would be very concerned that the greenway somehow not be recognized as an important objective.

*Commissioner Bachrach:* If I'm not in SOWA and not doing residential but I want FAR, what do I have to do?

- For non-residential, there isn't a first priority. This was an amendment at Council for commercial... so you can choose either historic resource transfer or you could pay into the affordable housing fund. This is what we're proposing today. Transfer within the subdistrict is after the 3:1. If you're a riverfront property, you could go to the riverfront open space bonus first.

Commissioners confirmed Item I30.

### **Master Plan**

#### *Decision Table I, part 4*

*Chair Schultz* recused herself from this topic. *Vice Chair Smith* presided.

Rachael walked through the summary of what's in the proposed draft regarding master plans today. We're not proposing to increase the number of sites. The provision is about moving FAR around to mass buildings, layout open space and create an appropriate pedestrian realm.

*Item I39* clarifies "master plan boundary" as the "site" so within a boundary, where you might have multiple ownerships (sites), IH on-site provisions would apply. The planning of these sites would be done much more holistically and would allow more flexibility for the campus style or larger facility developments.

*Commissioner Smith:* How does this work if the buildings are developing sequentially? When do you have to build the required affordable component?

- There are phasing and timing requirements. These elements are in Title 30 and would be in the development agreement. The process can take place within a 3-year period.
- *Joe:* The determination of conformance with the IH program standards is done through a PHB process. That's signed off, and the terms become conditions of the permit.

*Commissioner Baugh:* Is this the discussion about double-dipping and obtaining the bonus?

- *Joe:* This is the main reason we went down the first version of the first topic today. Imagine the post office site: we have a number of buildings, streets and parks will be on the site. FAR needs to be allocated among the buildings that aren't yet developed. We need to fix the code to deal with the double-dip problem to make sure it's clear that there is a way to allocate the bonus FAR amongst the many buildings that could be constructed on the site. We need this definition to work based on how we define "site" in the code.

*Commissioner Bachrach:* For these kind of sites, there is a public ownership aspect. I would like to consider that for the large master plan sites we step away from some of the restrictions based on building-by-building. What about having one of the requirements of a Central City Master Plan be required to include an affordable housing plan?

- Some version of this is the intent of a Master Plan. Having it recorded as part of the plan is the easiest way to do this.

*Commissioner Houck:* The notion of doing what you suggest is a possibility if you didn't have to have 20 percent in each building is contrary to having diversity in units.

The proposal is when you're building the whole large site (which is somewhat like a whole neighborhood), that we would leave it to the master plan owners to decide where affordable housing would be built since they are figuring out the best arrangement for the site. This does step away from the mixed-income requirements of individual buildings.

*Commissioner Bachrach:* Mixed-incomes shouldn't necessarily be based building-by-building... more in a neighborhood. I think you create more opportunities if you don't have to go 20 percent building-by-building.

*Commissioner Tallmadge:* If we have 4 buildings, each of which triggers IH, and the developer decides to put all affordable in one building, there could be amenities lacking in one building.

- There is an assumption in a mixed-income building that amenities would be provided. Part of the thinking is if you were going to do it that way, you could have an experienced affordable housing provider run the one affordable building, which could be efficient... but we can't guarantee it. It would only be based on minimum requirements in the building code.

*Item 139* allows the flexibility in a Master Plan as it defines the "master plan boundary" as the "site".

*Commissioner Houck* moved to forward staff's recommendation. *Commissioner Larsell* seconded.

Code language will come back to the PSC in the package on April 11.

There is a voluntary Master Plan program. The proposed draft says 80,000 square feet, but the proposal is to make this 160,000 square feet.

If you move forward with this today, we're just talking about how we define "site" in the Zoning Code. If you also want to add Master Plan, that is a decision. Included in that decision is how inclusionary housing implements on-site provisions, which is done by site. The FAR bonus discussion doesn't impact this decision.

*Commissioner Tallmadge:* The IH program stipulates affordable units need similar size and amenities. Can we add this to, if transferred, this has to be included?

Joe: We will bring this back to solve the question about reliable amenities of the building off-site but within the Master Plan boundary. Or we can exclude the concept that on-site is anywhere within the Master Plan boundary.

(Y7 – Bachrach, Baugh, Houck, Larsell, Smith, Tallmadge, St Martin)

## **FAR**

### *Decision Table K*

#### *Item K11*

Joe: Now that we know how the bonus system will work under the new code, why not pay more attention to the height map and not worry about the FAR that is allocated on the site... so we'd allow the FAR to be whatever is needed. The request is for floor area above the maximum base FAR plus the initial 3:1 earned through bonuses should not count towards maximum FAR for a site if it is in residential use.

It's akin to up-zoning these sites in the Central City. As a policy point of view, we're predisposed to allow more development in the Central City. So that part of this is consistent with our general policy. As buildings get taller, the amount of FAR will typically keep them from filling up the envelop all the way. If we wanted to go with a change like this, we'd have a number of steps to make sure it works:

urban design so the form meets the goals we want; and at a minimum, we'd have to check the transportation system. We haven't looked at this yet.

So staff recommends to continue to count residential floor area towards maximum FAR.

*Commissioner Smith:* This could cut legs out from historic seismic rehab. It's also an economic windfall to property owners who have tall height limits.

*Commissioner Baugh:* If you solve the historic problem, I think there is value capture here for affordable housing. I just want to capture all the value you're going to create for that purpose. If we had time to do this and evaluate everything, I would be interested in looking at it in a broader context.

Allowing more FAR would be like the residential bonus we give today. This was from a time when we weren't sure we'd see significant residential development in the Central City. They would like to see some version of that bonus stay around. You can regulate how much development goes on a building site by a combination of FAR and height like we do; or you can do it less prescriptive as discussed today.

*Commissioner Tallmadge:* The additional residential bonus would not be subject to IH, just the original development, yes?

- As was presented to you, yes. But the other premise is that additional FAR comes with public benefit. So if done as originally proposed, that would be a major departure from what we've already done.

*Chair Schultz:* I do keep getting asked about the MMA designation. I agree with *Commissioner Baugh* and would like to explore this further at some time but know that now is not the right time.

*Commissioner Smith* moved to recommend staff's proposal. *Commissioner Houck* seconded.

(Y8 – Bachrach, Baugh, Houck, Larsell, Schultz, Smith, Tallmadge, St Martin)

### **Next Steps**

The final planned PSC work session will be on April 11 when staff will the PSC and ask for a final vote on the entire CC2035 Plan package and forward it on to City Council as the Recommended Draft.

### **Adjourn**

*Chair Shultz* adjourned the meeting at 4:26 p.m.