

Portland Planning and Sustainability Commission

October 9, 2018

12:30 p.m.

Meeting Minutes

Commissioners Present: Jeff Bachrach, André Baugh, Mike Houck, Katie Larsell, Daisy Quiñonez, Michelle Rudd, Chris Smith, Katherine Schultz, Eli Spevak (arrived 12:36 p.m.), Teresa St Martin (by phone)

Commissioners Absent: Ben Bortolazzo

City Staff Presenting: Joe Zehnder, Tom Armstrong, Tyler Bump, Bill Cunningham; Matt Tschabold, Dory Van Bockel (PHB); Denver Igarta (PBOT)

Chair Schultz called the meeting to order at 12:31 p.m. and gave an overview of the agenda.

Documents and Presentations for today's meeting

Items of Interest from Commissioners

Commissioner Baugh presented the Southwest Corridor Housing Strategy letter to City Council last week. It was well received and Commissioner Fritz' question was how to do everything in addition to East Portland. Council understood the skepticism of this historical issue and is ready for the challenge.

Several commissioners attended Susan Anderson's send-off party. *Commissioner Baugh* read *Chair Schultz'* comments.

Chair Schultz welcomed Daisy Quiñonez, the new youth commissioner, to her first meeting.

Consent Agenda

- R/W #8111, Proposed Vacation of SW Washington St south of W Burnside St

Commissioner Baugh asked Lance Lindahl (PBOT) if the proposer's ideas for the property were specified as requirements. Lance answered that the current building will remain so in that context the City has wanted focus on keeping the vacation area as a plaza, so there will be an easement for the plaza. The property owner will gain the floor area ratio (FAR) but it will still be maintained for public use.

Motion

Commissioner Smith moved to approve consent agenda. *Commissioner Houck* seconded.

(Y9 – Bachrach, Baugh, Houck, Larsell, Quiñonez, Rudd, Smith, Schultz, St Martin)

Fox Run Manufactured Dwelling Park Map Changes

Hearing/Recommendation: Tom Armstrong

Presentation

This project is a follow-up to the Manufactured Dwelling Park zoning changes, which rezoned 56 out of 57 parks in the city. Commissioner Saltzman requested that staff bring back a map change for the one park that we left out.

This park is in the North Portland industrial area. The reason it was left out is because it is in our prime industrial overlay and was included in the industrial Buildable Lands Inventory (BLI). In order to change the zoning, we have 3 map changes: amend the comprehensive plan map, amend a figure in the comp plan, and change the zoning (slide 3).

Tom showed an aerial photo of the site (slide 4) and described the vicinity.

During the Comp Plan, it was a difficult call whether to keep the site housing or employment-industrial. Through that process, staff recommended to keep the employment zoning and prime industrial designation primarily due to its location. It is not the best location for housing – isolated, not many services nearby, surrounded by industrial development. Much has changed over the last 6 years in policy priorities and the focus on more affordable housing.

Tom showed the current zoning map – currently zoned EG2, or General Employment 2, which allows a wider range of uses than strictly industrial. Tom showed the Prime Industrial overlay to be removed (slide 5).

It makes sense to remove this from industrial database because:

- The park is existing development, which makes industrial use harder.
- Location lacks river or railroad access, which is important to prime industrial land.
- Mixed Employment zoning allows a wide range of uses, so the potential to redevelop into industrial is likely, but other uses are allowed.
- Metro has designated this as an employment area, not a regionally significant industrial area, which gives more latitude to make these changes.
- There will still be a surplus of employment capacity will still have a surplus of 10 acres in the harbor and airport district. The surplus is thin, but Metro is finishing their Urban Growth Report in December, which will include an employment forecast. The City will do an update in 2019-2020 of our Employment Opportunities Analysis (EOA), where we look at how much development has happened in 6 years and what the new job forecast says.

Discussion

- *Commissioner Houck* asked if it can continue as a manufactured dwelling park under the current zoning. He expressed issues with taking anything out of industrial lands until City can address Goal 9, as long as it can continue to operate as a park.
- *Commissioner Rudd* confirmed that the park is 18 acres, but 13.5 is counted as industrial in the BLI. With this change, the maximum is over 500 residences, so how does this compare to current zoning? How will the transportation and mobility work with so many people close to industrial uses?
 - Tom: PBOT is finishing analysis, but primary results show the zoning change would result in virtually the same traffic conditions; they do not expect it to get worse.
- *Commissioner Rudd* confirmed that we are removing 13.5 acres out of industrial land. Is the remaining acreage this size or smaller parcels? Not all parcels are created equal
 - Tom: The remaining 10 acres is likely in smaller sized parcels.
- *Commissioner Spevak* was curious about the genesis of the project.
 - Tom: When we brought the Manufactured Dwelling Park Zoning project to City Council, Commissioner Saltzman was concerned about leaving the 143 residences in this park at risk of closure and conversion. In order to pass the zoning change, we made a commitment to bring this package forward to consider.

- Commissioner Spevak: The ‘h’ overlay, which also covers much of Cully, is irrelevant in the residential zone, so is it relevant at all anywhere, now?
 - Tom: It is enforced and needs to remain on the books due to Federal Aviation Administration (FAA) regulations, but he is unsure of how much of an effective constraint it is. In some locations it could be, especially further north onto Hayden Island and where you are in the direct path of the runway.
- *Commissioner Larsell*: Why was the park left out of the project in the first pass?
 - Tom: Because of the industrial land calculation and how thin the margin would be, discussed previously.
- *Commissioner Larsell* asked if staff had heard anything from residents of the park.
 - Tom: We did the same outreach as we did for the original – letters to owners of the park and of homes inside park, postcards to every home inside park, and BPS staff canvassed and explained the proposal to residents. We received no testimony or phone calls asking questions.
- *Commissioner Larsell* asked about difference between parks – does this one have high or low property values?
 - Tom: It’s on the lower end of the scale; there’s a mix of renters of homes and owners of homes who rent space.
- Commissioner Quiñonez: how long has this been a mobile home park?
 - Tom: Created in 1986; staff who went out met residents who had been there when it was created. It is fairly old.

Testimony

No testimony was given. *Chair Schultz* closed the hearing.

Comments

- *Commissioner Bachrach* was interested in park owner’s perspective or info from Commissioner Saltzman to persuade us this is a good idea. In the absence of that information, he leans against taking this out of the prime industrial land.
- *Commissioner Baugh*: Assuming we take this out, if Metro comes back with their growth analysis and says we need more industrial land, how do we reconcile that?
 - Tom: What went into the EOA was job, development, and economic trends. Our numbers are showing that industrial employment is down or has barely recovered to pre-recession levels, but we have seen a huge increase in industrial space across the region. Metro is projecting a slower growth rate for both population and employment; the last forecast was about 1.8% per year and it’s now around 1.3%. Our job mix is changing, with more office, health care, education job growth, but we still have a demand for space due to automation, throughput, etc. The Portland Meadows raceway is being redeveloped into a large industrial use complex. West Hayden Island is counted in the regional supply but not the City supply. There is much uncertainty around where we would grow or how much demand there is for these types of jobs and space.
 - *Commissioner Baugh*: Would we be required to reconcile it through a Comp Plan map change?
 - Tom: We would come back with policy options. The demand is not necessarily City of Portland-focused; it’s related to the regional economy.
- *Chair Schultz*: What is the timing of Metro’s update?
 - Tom: They will adopt Urban Growth Report in December; early next year they will coordinate with all jurisdictions to do the allocation, and in May or June Metro Council would adopt it so we would know what our updated forecast would look like. Then we would spend the rest of 2019 and into 2020 looking at development trends.

- *Commissioner Smith*: Is there only a change in use or also a change in zoning for the racetrack redevelopment?
 - Tom: Use; it is in the inventory already. Still zoned CE, the biggest-box commercial zone.
 - *Commissioner Smith* is persuaded still that the housing crisis is still most pressing.

Motion

Commissioner Smith moved to recommend adoption of the proposal. *Commissioner Larsell* seconded.

Additional discussion

- *Commissioner Spevak*: Is it possible to adopt the proposal without dropping the ‘k’ industrial overlay? Do those need to be coupled?
 - Tom: It is cleaner to remove the overlay because it only applies to employment areas defined in the Comprehensive Plan as prime industrial.
- *Chair Schultz*: Could we change the zoning but leave the Comprehensive Plan designation industrial?
 - Tom: You cannot; the Manufactured Dwelling Park zone only goes with Manufactured Dwelling Park Comp Plan designation. This is part of what makes it so strong.
- *Commissioner Rudd*: We should not separate housing and job strategies; job strategy is key to helping people rise rungs on the economic ladder. These industrial jobs are potentially jobs for people with less education and represent stability for families. Concerned about taking property out of industrial land. Larger parcels are unique assets. If we address our needs outside the region, that’s not consistent with our climate action goals.
- *Commissioner Baugh*: In 2019-2020, we will be looking at the industrial land question again. At that time, could you put this park back into the industrial lands inventory?
 - Tom: Yes, but do we have a place to relocate 143 families? Reflecting on what we heard in testimony about how people choose this type of housing and how it’s hard to replicate elsewhere; the relocation will be a challenge.
- *Commissioner Baugh*: As a policy, we will be dealing with this as a housing problem if we leave it as industrial, but if we change it to mobile home zoning, we deal with it as a jobs problem. I agree we cannot bifurcate those; however, the priority right now is housing, but we should note in our letter to City Council that we need to resolve the displacement problem one way or the other – in jobs or housing. City Council must deal with both.
- *Commissioner Quiñonez*: If someone were to buy this property and use it for industrial, would all residents be eligible for relocation assistance? The ordinance is vague around mobile home parks, and some residents own the home and some own the home and the property.
 - Tom: If you own the home and rent the pad, you would be eligible for relocation assistance required by both the state law and the City ordinance. If you rent the mobile home, you would only be eligible for City relocation assistance.
- *Chair Schultz*: Are there other areas in the city you could relocate this mobile home to?
 - Tom does not know vacancy rates of other parks. New parks are eligible to be created in R2 and R3 and (RM1 with future multi-dwelling zones), so it is possible to create new parks in the city, but finding 18 acres is a big property in Portland for any use.
- *Commissioner Bachrach*: By not rezoning, there’s no reason to assume anything will change; there’s no indication of intention to change it. If the owner was contemplating a sale, we’d have some vigorous input against this.
- *Commissioner Bachrach*: Middle ground (that may be untenable) is to wait for Metro’s report until we have more information and are at a time to consider if this issue of industrial land is critical. Is this possible?
 - Tom: This was a City Council request, not adopted by resolution, so if you do not pass a recommendation today it stops here for the time being – does not automatically go to

Council. Secondly, we had a slim supply to begin with, so we're going from 2% to 1%. Industrial jobs issue is bigger than this 13 acres, so this will not solve our problem long-term.

- *Commissioner Bachrach*: In my mind, we do not have enough evidence or persuasion.
- *Commissioner Smith* pointed out that if we think the owner will not redevelop, it will not contribute to industrial land supply.
- *Chair Schultz*: When we looked at prime industrial land in the Comprehensive Plan, there was not this question of manufactured dwelling parks. Had that discussion been at the forefront, we would have dealt with it then and recommended that it not be included in industrial land. We are not going to see this size of mobile home park delivered in our multi-dwelling zones. If we don't preserve this, we will lose it. It is a unique type of housing, and the work we've been doing to preserve these is our last chance, which is why I support this.
- *Commissioner Rudd*: Balancing everything, not convinced that if we got to the point that there was a unique job opportunity, the City could not get creative to relocate people. 13 acres of industrial land is more unique than 13 acres of residential land as a tool in the box.
 - *Chair Schultz*: If this comes back to us to put it in the industrial land supply and relocate people, we could look at it.
- *Commissioner Houck*: We should face up to the fact that now or in 2020, we will be right back where we were with a contentious process about industrial land. We face this issue primarily because there was a cumulative impact of many decisions like this that resulted in not having enough.

Motion

(Y7 – Baugh, Larsell, Quiñonez, Smith, Schultz, Spevak, St Martin; N3 – Bachrach, Houck, Rudd)

Commissioner Larsell noted that she voted yes for all the reasons voted for original zoning project. She appreciated that we have people speaking for industrial lands.

Inclusionary Housing Extension

Hearing/Recommendation: Tyler Bump; Matt Tschabold, Dory Van Bockel (PHB)

Commissioner Spevak recused himself because he has a property undergoing permitting that may be affected by this.

Presentation

Tyler gave an overview of the process up to this point. It's been two years since the inclusionary housing (IH) proposed draft came before the PSC. The code went into effect on 2/1/17. A new chapter in the zoning code implements the requirements. A section of the code pertains to the phase-in rate we will discuss today. The proposed draft in front of you replaces the phase-in date to allow an additional 2 years.

Matt gave an 18-month review of the inclusionary housing program and discussed key highlights (slide 3) and showed a graph of multi-family permitting over time (slide 4), a graph of the vested pipeline (slide 5), and a summary graph of the first 18 months' development activity (slide 6). There have been between 8,000 and 9,000 units in over 100 projects inside and outside the Central City.

Matt showed a map of IH units built in the city (slide 7).

We are seeing a similar number of units with less than 20 units as we have in recent years, though we must continue to monitor (slide 8).

Matt discussed the actions taken since the program started to support and encourage development of affordable units and improve the program (slide 9). He discussed upcoming actions to improve, review, and update the program over the next several months (slide 10).

Today we are proposing to keep the lower inclusion rate in neighborhoods outside Central City over the next two years. The recommended action from the PSC is to extend the current sunset for the lowered inclusion rate outside the Central City for an additional 2 years (December 31, 2020).

Discussion

- *Commissioner Smith*: What is the motivation for extending – what is not working or needs to be fixed?
 - Matt: Program is actually working well and we want to continue to see the success; in consultation with Mayor's office we decided on a whole package of adjustments, which includes the lower rate. Want to give the market more time to adjust and allow us to make refinements to the program outside the Central City.
- *Commissioner Smith*: If we didn't do this, what negative effect would we see?
 - Matt: Potentially lower rate of inclusionary units being developed.
 - *Commissioner Smith*: What would cause that?
 - Matt: General downturn in market and a need to adjust incentives.
- *Commissioner Baugh*: Upcoming actions including looking at 10-year property tax exemption outside the Central City; are those neighborhoods the same that are subject to this proposal?
 - Tyler: Yes – neighborhoods outside the Central City.
- *Commissioner Baugh*: You said there are certain areas you would like to see grow – are these the same areas?
 - Matt: These neighborhoods would overlap, but that doesn't mean that we would require the higher inclusion rate for the full tax exemption.
- *Commissioner Baugh*: What prevents a further extension? Will this happen again in 2021? The market will change no matter what, so what other factors would stop or continue the extension?
 - Matt: Another 2 years will give the market more time to adjust and us more time to do spot calibration for incentives for certain neighborhoods. Once these things happen, the rationale for another extension would not be as strong.
- *Commissioner Houck*: I am hearing adaptive management; this makes sense.
- *Commissioner Bachrach*: Is the number of units that will not come to fruition taken into account?
 - Matt: We are tracking attrition as it happens; there are not generally good estimates on attrition rates.
 - *Commissioner Bachrach*: Are these numbers calculated for Central City and outside? Where is the attrition happening?
 - Matt: We have a dataset for vested and post-IH units in the Central City and outside.
 - *Commissioner Bachrach*: Is there a sense of a difference in attrition in the Central City versus outside?
 - Tyler: When tracking the pre-IH pipeline, it is important to look at which were vested through land use review versus building permit. A number were vested for land use but have not moved to building permit application. These will be important to track over time.
- *Commissioner Bachrach*: Today's focus is outside Central City; you said there are signs showing IH is working in neighborhoods – what are you looking at that says it's working? If you remove the public projects, it looks like numbers are lower than expected.
 - Matt: 320 out of 360 inclusionary units outside the Central City are in private projects.
 - *Commissioner Bachrach*: Even though you are comfortable with progress, you want to continue the lower inclusion rate?

- Matt: Yes, we want to make program refinements while the inclusion rates are where they are.
- *Commissioner Bachrach*: What would happen if you *lowered* inclusion rate today? If you dropped the percentages to 5 and 10 percent?
 - Matt: Fewer inclusionary housing units, but there is a broader question of general multi-family development. There may be a project here or there that might move forward that wouldn't otherwise, but there are broader market factors that preclude a certain answer.
- *Commissioner Bachrach*: Goal of program is to maximize affordable units with decreasing total units, so the calibration is what we're working on.
- *Chair Schultz*: Is there a goal that defines success? A number the Housing Bureau is shooting for of number of affordable units produced through IH?
 - Matt: We are looking at inclusionary units in the context of overall multi-family production. IH was a policy adopted in the Comprehensive Plan. There were projections of numbers of units in parts of the city; we will be working closely with BPS to track those over time to understand what is affecting overall multi-family development.
 - *Chair Schultz* would like staff to calculate the goal number of inclusionary units based on those projections as just one measurement to gauge whether the calibration is on target.
- *Chair Schultz*: Most of the work our firm does in the Central City is seeing construction costs escalating (as they are elsewhere) and fewer housing starts – to give some general context on the housing market.
- *Commissioner Larsell*: Why a 2-year period to extend – could you have done 1 year?
 - Matt: Two years is not too long to allow us to do calibrations but will also provide certainty to developers.
- *Commissioner Larsell*: How much is it costing taxpayers to do this lower inclusion rate?
 - Dory Van Bockel (PHB): Incentive level and inclusion rate chosen will vary based on where project is; outside Central City projects only receive tax exemption on affordable units. The value of a tax exemption has been about \$2,000/year over 10 years of the timeframe. If the units are at 60% area median income (AMI), systems development charge (SDC) exemptions are available as well as a construction excise tax (CET) exemption. Does not necessarily offset dollar-for-dollar the cost to the project to provide affordable housing. There are also density bonuses and parking exemptions for projects that opt to build units rather than choosing to pay fee in lieu.
- *Commissioner Larsell*: Is the fee in lieu working? Are people using it?
 - Dory: Some projects are in the queue, but no one has yet paid it and moved forward. This includes a handful who were not subject to IH but opted in to gain density bonus.

Testimony

1. Gwenn Baldwin (Oregon Smart Growth, formerly known as Oregon Locus): Mission is to support dense, walkable, livable development throughout Oregon. Coalition of developers, and allied industries. Supports revision of sunset date. As Matt and Tyler have stated, IH is an incredibly important component of a large mix of policies that do not sit in isolation from one another. It is a living dynamic, and as we have more time under our belts, we need to identify places where adjustments need to be made – in IH and also a number of other policies in front of you that affect our ability to produce needed housing. If it functions in a way that puts risk to the performance, you will have lower performance. As this policy was first put into place, you're dealing with policy conditions at the time that will change over time. Some changes cannot be controlled, like construction costs, etc., but you can control these policies. The goal is needed housing at all ranges of affordability.

- *Commissioner Bachrach*: Since your group has the burden and opportunity to deliver these units, what are you hearing about the pipeline? Is it as full as it appears? Will we see a lot of these units delivered?
- *Gwenn*: The market is slowing for a variety of reasons; the cycle will cool and warm up. The question underlying your question is critical for this body. It takes years to complete needed housing units. What's remaining in the vested queue are probably the more challenging projects. As Tyler noted, must look at the land use review units. This should be a constant check-in. Need to consider the private vs. public-sector pieces in the post-IH units.

Chair Schultz closed the hearing.

Discussion

- *Chair Schultz*: 2,000 of the units in the pre-application stage of the post-IH pipeline are done by our firm; these will take years to complete. We have another 2,000 units in the pre-IH pipeline. This pipeline will take years to work through.
- *Commissioner Bachrach*: Are there benchmark data points we should be looking for in the next 6 to 12 months to tell us if IH is working or if the market is not delivering them (for whatever reason)?
 - *Matt*: How is the permitting activity looking in terms of our 25-year growth and need projections? Given the cyclical nature of development, how do we know IH is having the effect or if other market factors are more significant? We can compare to similar cities or the region to estimate the contribution of IH.
 - *Commissioner Bachrach*: What would be a good number of IH units built a year from now?
 - *Matt*: Staff is not prepared to give a number but should have a conversation about expected types of housing to be developed and discuss more given that we're already past our baseline expectation.
- *Commissioner Larsell* asked staff to clarify why they are asking for extension.
 - *Matt*: There are a number of program adjustments we want to make outside Central City before the other inclusion rates go into effect. We will accomplish that between December 2018 and 2020. Some of these are those that I presented and are in the memo.
 - *Chair Schultz*: My perception is that you are having more success in areas outside Central City so far.
 - *Matt*: More projects have moved through, yes.
 - *Chair Schultz*: Market conditions are iffy, so if market conditions are changing, do not want to impede traction in places outside Central City that are currently working. Increasing the rate may exacerbate market conditions.
- *Commissioner Baugh*: How does this change align with Better Housing by Design (BHD)?
 - *Tyler*: Feasibility of BHD is based on higher inclusion rate because we look further out than the two years proposed to extend the current lower rate. We have two base zones where the full tax exemption would be usable based on entitlements.
 - *Commissioner Baugh*: Are the specific geographies mentioned earlier regarding the tax exemption aligned with those areas?
 - *Matt*: Haven't yet defined the geographies – likely NW Portland; close proximity to Central City plan district.

Motion

Commissioner Baugh moved to recommend adoption of the proposal. *Commissioner Houck* seconded.

- *Commissioner Baugh* noted he would have liked to have proposed an amendment to lower the inclusion rates to test it.

(Y9 – Bachrach, Baugh, Houck, Larsell, Quiñonez, Rudd, Smith, Schultz, St Martin)

Better Housing by Design

Work session: Bill Cunningham, Tom Armstrong, Denver Igarra (PBOT)

Chair Schultz: At each of the PSC meetings on the Better Housing by Design proposed draft, we will address the potential for PSC Commissioners to have conflicts of interest related to the proposed code changes. In general, the changes proposed with the Better Housing by Design affect such a broad class of property owners in multi-dwelling zones we do not believe they create a potential conflict of interest for PSC members. Still, in the interest of transparency, we have made the following declarations:

Disclosures

- *Commissioner Bortolazzo* noted that his firm, Otak, worked on code modeling prototypes for the Better Housing by Design project; I worked on this project as Otak's project manager.
- *Commissioner Spevak:* I own three properties with zoning covered by this update: (1) An R2 property with construction on new homes recently completed, (2) A R3 property in the final stages of permitting, and (3) a 50x100 property zoned RH under contract to sell. Development of the first two properties is vested under current zoning. New zoning on the 3rd property would only be relevant should the sale fall through.
- *Commissioner Smith:* My principal residence is zoned R1, but I don't have special consideration.
- *Commissioner Bachrach:* My house and 2 other properties I own are zoned R1, but all are built-out, so I also have no conflict.

Presentation

Bill gave an overview of the agenda and topics to be discussed (slide 2).

Eastern Portland deep rear setbacks

The Eastern Portland pattern area defined in the Comp Plan has larger blocks and less street connectivity. We wanted to explore ways to forward the strengths of East Portland. Over half of our stakeholder meetings were held in East Portland or the Jade District. People highlighted importance of common open areas for children to play and to grow food, large trees, landscaped setbacks – these are being addressed in some of the other code proposals in this packet.

This topic focuses on keeping centers of blocks green with the perimeters more built up. Looked at precedents in East Portland and around the world.

Bill showed some infill development in the Jade District (slide 9), where development was built to the rear on abutting lots for a moderate level of density with a loss of significant green area. Bill showed an example near Munich (slide 11) with mid-block green space between individually owned properties and an example from New York City of combined backyards (slide 12). He showed an example near the 148th Avenue MAX station (slide 13).

The proposal requires rear setbacks of 25% the depth of the site. This is a substantial change – rather than small bits and pieces of green space, you'd get larger chunks.

The regulation would require half of the rear setback to be landscaped, but the rest could be parking area or buildings with indoor common area. There are exemptions for central open spaces, new street connections, corner sites, and sites less than 100' deep.

Should we require larger rear setbacks (with exceptions)?

Options:

1. Support staff proposal
2. Drop proposal

Discussion

- *Chair Schultz*: Design Overlay Zone Amendments (DOZA) project had some diagrams done by 3 different independent architects that showed that the setback language was confusing or somehow resulted in different interpretation; ended up with a bunch of units facing a parking lot – more than units facing green.
 - Bill spoke to Lora Lillard, project manager of DOZA, and learned that architects did a simple interpretation of this without considering any of the exemptions for a central courtyard or indoor community space. If we got rid of this proposal, the small sites would still not trigger the common open area requirements we have proposed, so they would not have much open space at all.
 - *Chair Schultz*: Is there a limitation on the amount of parking in the rear? They put the parking in the middle.
 - Bill: The code is designed to be more flexible than what was modeled in that exercise. Many affordable housing developments do have rear courtyards and could do that without having to meet the rear setback.
 - Tom: Speaks to need for additional supplemental materials, like BDS' handouts that explain options. To rely on the DOZA modeling is too simple of a judgment.
 - *Chair Schultz*: We start every simple modeling project as was done in the project.
- *Commissioner Spevak*: Are there other parts of the code that would prevent some of the bad examples we see?
 - Bill: We are not increasing the landscaping requirements or changing building coverage.
- *Commissioner Spevak*: If you try to put in a lot of parking and bump up to the 50% rear setback limitation, it could result in parking in the front.

Straw poll

- Option 1: Staff proposal – 8 votes

Chair Schultz would like to work with Bill to review the language.

Eastern Portland minimum site frontage

For sites more than 160' deep within East Portland centers, require a minimum street frontage of 90' for new development. Alternatively, you could also go through a planned development review. BDS raised concerns for minimum site frontage requirements regarding barriers to development; it is easier to acquire a single property and develop it than to collect multiple properties until you have enough street frontage.

Bill showed a map of areas that would be subject to this requirement (slide 20) – areas around some East Portland centers. Potential scaled-back option would only apply it to the Jade District and Rosewood areas, which PBOT has identified as needing new street connections, whereas the full proposal is also about site design.

Proposal includes a provision to calculate development allowances prior to street dedication to facilitate street connections.

Denver discussed the Connected Centers Street Plan and its connectivity requirements – connectivity standards include 530' standard for street spacing and 330' for bicycle/pedestrian spacing. PBOT did a parcel-level analysis of connectivity and pedestrian route connectedness for areas in East Portland (slide 25). They

identified 11 blocks as connection opportunity areas (slide 26). Incentives include Transportation System Development Charge (TSDC) credits and capital projects to subsidize connections. BHD proposals include calculating development allowance prior to dedication and establishing minimum frontage length.

Questions

- *Chair Schultz*: Is calculating development allowances prior to street dedication proposed for everywhere or certain areas?
 - Bill: Would apply everywhere to all zones except for in land divisions.
- *Commissioner Baugh*: Are these policies about transit connections as well?
 - Denver: These are not transit streets necessarily but provide better connection to transit streets.
- *Commissioner Baugh*: If someone is given an SDC waiver, how will that work in determining the uptake?
 - Tom: We will get back to you. These are only available at the 10% inclusion rate of 60% AMI.
- *Commissioner Baugh*: Could they get a waiver for street connection without providing any inclusionary housing?
 - Tom: Yes, a small project would get some sort of SDC credit for the street dedication. If it's a project large enough to fall into inclusionary housing requirements, your SDCs would be reduced, but you cannot double dip.
- *Commissioner Larsell*: Will there be an incentive for a path or right-of-way to cross green internal spaces? Private owners will own different lots and there will not be connectivity.
 - Denver: Small connections are super important, and we have connectivity standards that apply to the pedestrian and bike pathways – 330'. We would try to get as many of those as possible.
 - *Commissioner Larsell*: How does this work? When they submit their plans they are told they need a path?
 - Denver: Yes, distance from nearest parallel connection is examined and if it's greater than the spacing standard, we'd look to see if there's a way for a path to be included.
 - *Chair Schultz*: Essentially a common open area among private lots would require neighbors to participate; this proposal would not force that.
 - Bill: There would not be a means for PBOT to require a connection.
 - Denver: Opportunities for public access easement across private property are available when development occurs.
- *Commissioner Spevak*: When projects get redeveloped on a block, how does PBOT decide which one gets forced to have a connection?
 - Denver: If the site is the first property to come in that doesn't meet the street spacing standards, it is required to provide the connection. One of the reasons it's somewhat haphazard is because in the past it's only been required with land divisions, so we are trying to apply it to centers – areas that will accommodate a lot of growth. This proposal tries to share the burden of the right of way improvement across properties so it is feasible. The idea is to eventually get a public street connection once the surrounding properties are developed.
- *Commissioner Larsell*: If there can't be a street, is there a way to get bicycle and pedestrian pathways?
 - Denver: Yes – it is the same process.
 - Bill: A key part of PBOT's project is how to get connections on narrower sites. Want to make it less painful to provide street connection by not losing development potential.
 - *Commissioner Larsell*: Who watches for this as time goes on?
 - Denver: This is one of the most important reasons we are working together with the rezoning – it will work with the existing permitting process.

- *Chair Schultz*: Looking at diagram of continuation of current trends (slide 16), accessways do not line up, so it seems it would be very rare for the desired condition on the left of the slide to occur.
 - Denver: It may be possible in some places given increased setback requirements even though the accessways may not line up exactly.
 - *Chair Schultz*: Seems haphazard, unfortunate, way too long, and not deliberate. Why wouldn't the long-term plan be to say the desire is to have a street here?
 - Denver: We have done this – prime example is Gateway Master Street Plan. We have only seen one connection made over 20 years. This approach also has its shortcomings so we hope to see some connection earlier rather than later.
- *Commissioner Houck*: Every trail in the region has been opportunistic, so this is what we're left with regarding bike/ped connections.
 - *Chair Schultz*: There is also a master plan.
- *Commissioner Spevak* agrees with *Chair Schultz*. If lines on the map were drawn to show where development would have to provide connections, it may suppress development on those sites. If the first one triggers a connection, it may suppress development on all the sites. In some ways it may be better to determine a connection.
 - Tom: Banking connections incrementally over time is an improvement over what we're getting today.

Options:

1. Support staff proposal (443 lots; 164 acres)
2. Scale back proposal: apply in limited areas where PBOT has identified a need for connections (147 lots; 51 acres)

Discussion

- *Commissioner Smith*: What do we know about the ownership patterns of these kind of lots – small family holdings or corporate ownings?
 - Bill: Varies according to what's on the property; underutilized sites have single house, whereas more highly developed sites have larger property owners and managers. More often smaller-scale owners.
- *Commissioner Bachrach*: What are the current and proposed frontage requirements?
 - Bill: There are no frontage requirements for an existing lot. This new proposal says for very deep sites over 160' you need 90' of frontage. Exception is available if you do a planned development or if the site is surrounded by sites already developed. A "developed site" is properties that meet minimum densities, not a single house on a lot.
- *Commissioner Bachrach* confirmed this is a tool to encourage some lot consolidation. Have you looked at other tools to break up big lots?
 - Bill: PBOT studied what other cities are doing to move from semi-rural to urban transit-oriented. They couldn't find any examples that worked well but would keep low-density zoning and comprehensive-plan designate them to higher density that would only be granted with street connections. Portland granted the higher density first.
- *Commissioner Baugh*: Much of this land was in the county before it came into the city. I get concerned about forcing larger lots because they're not owned by big developers who would try to assemble lots together. There are challenges about stormwater and other things related to getting space for street connections. The scaled back proposal lets you look at the more appropriate areas where the broader proposal may push a lot on these smaller lots for not a great benefit in the number of connections. Supports option 2.
- *Chair Schultz* is inclined to support staff proposal but agrees with *Commissioner Baugh* in struggling to understand how effective this is. Maybe there is an option between the two given to narrow in

more in where an effective change can be made. Likes concept but may not have enough information.

- *Commissioner Larsell*: Narrow lots in a row that are there today do not make for a neighborhood.
- *Commissioner Spevak* agrees with *Commissioner Larsell* and *Chair Schultz* and appreciates staff's attempt at creative approaches with discrete land ownership. Solution would be to create an option developers would want to participate in – FAR bonus or cash from TSDCs from surrounding areas. Reduce cost of connection by making it narrower and less expensive improvement, and dangle something in front of property owners so that most people want to do it.
- *Bill*: Staff has considered a pilot project approach where certain areas would test this first (Jade District and Rosewood).
- *Commissioner Baugh*: Instead of showing outlines, can you say this only applies if you have at least one lot adjacent or to the back of you that would allow this? We should identify which lots actually have the potential.
 - *Tom*: This safety valve exists in the code.
- *Commissioner Baugh*: Think about incentives to encourage consolidation as opposed to requiring.

Straw poll

- Option 1: Support staff proposal (with follow-up information) – 8 votes

Reduced minimum parking requirements and accessible parking issues

Proposals:

- Small sites up to 7,500 sf: no parking required for up to 30 units (this existing regulation applies in mixed use zones)
- Larger sites: reduce parking requirements to 1 space per 2 units (when not close to transit)
- Require Transportation and Parking Demand Management (PDM) in the multi-dwelling zones when more than 10 units is proposed close to frequent transit. Options include multimodal financial incentives, education and information, and annual transportation pass options

Structured parking can cost \$25,000 to \$45,000 a space; most parking is provided as surface.

Not proposing any change in allowances for no or low requirements when near frequent transit. 75% of the multi-dwelling land is near frequent transit; 25% of the land is outside, so some of the lots in these areas would be affected.

This project is extending existing provisions, not breaking new ground.

Heard need for off-street parking in East Portland; clarified that proposal is to lower the minimum requirements but still allow developers to provide parking if they want.

Options:

1. Support staff proposal
2. Require minimum of 1 parking space on multi-dwelling sites (ensure off-street accessible parking space is provided)
3. Do not change current minimum parking requirements

Bill discussed the building code requirements when parking is required (slide 42) and noted that on-street spaces can be reserved for people with disabilities on request via PBOT.

Considerations for requiring at least 1 off-street accessible space: all properties/all zones? Provide exception for small sites? Only require outside frequent transit buffers (would apply to small sites)? One off-street space would sacrifice one on-street space for the driveway.

Discussion

- *Commissioner Smith*: We should have all the parking one is willing to pay for and no more. Supports small site exemption and modifying the 1:1 ration to 1:.5. Regarding accessibility, today in mixed use zones along transit we don't require any parking up to 30 units, so folks use PBOT's program to designate space on the street. I do not see why that solution would not work for these zones. The tradeoff of losing an off-street space for an on-street space is not worth it; the current program is sufficient. Would support increase of small site exemption to 10,000 sf as Portland Community Reinvestment Initiatives (PCRI) and affordable housing developers asked for.
- *Commissioner Rudd*: What is the range of number of units possible on a 7,500 sf lot?
 - Bill: Depends; many projects avoid commercial code by doing townhouse or duplex-type development, so 5 units is common. But right now, only zone you can do more than 5 units is the RH zone, so we do not have much track record for how much you would see more than 5 units on such a site. Up to now, 2 to 5 is common. PCRI has a model for 4 or 5 units on a 5,000 sf lot.
- *Commissioner Rudd*: In Annapolis, there is little off-street parking but much on-street parking and density. Given the military presence there may be more disabled people, but placards have people's permit numbers on them; is it a City choice that it's not tied to a specific person's need? I agree public owns the right-of-way, but I'm worried about access.
 - Bill: We have not discussed any such policy.
 - Tom: We can follow up with PBOT; my guess is given the low number of reserved spots is that demand isn't there yet for these spaces so there's not enough competition to warrant such a designation.
- *Commissioner Smith*: A condo building in the Pearl was built 1:1 in the garage plus two disabled parking spaces in the front.
- *Commissioner Rudd*: How does this relate to encouraging visitability?
 - Tom: If you require one accessible space, it takes up a lot of site area. Tradeoff is removing one on-street space for a driveway and a space that takes up a lot of site area.
 - *Commissioner Baugh* is concerned about the smaller lots.
 - *Commissioner Smith*: What is the barrier to curbside parking being used as visitable parking?
 - Bill: Property owner must request.
 - *Chair Schultz*: Can a tenant request an off-street space from PBOT or does it have to be a property owner?
 - Bill: Website says property owner but unsure.
 - *Commissioner Rudd* brought up potential difficulty of walking a longer distance from an off-street space and relevance PSC placed on that in the Portland Art Museum context.
- *Commissioner Rudd*: Where will encouraging the City to require on-street parking permits come into this?
 - Bill: Unrelated to this, PBOT has been working on permit programs and areas can request it. The City's approach has been leaving off-street parking to the market and managing on-street parking demand/supply.
- *Commissioner Baugh* asked about TDM requirements.
 - Bill: In some cases there are TDM requirements, but there are options for how to meet them.
 - *Commissioner Baugh* raised the possibility to expand areas with TDM requirements.

Straw poll to understand more about expanding TDM – 6 votes

- Liz Hormann (PBOT) noted this would require continued conversation between BPS and PBOT.

Straw poll

1. Option 1: Support staff proposal – 6 votes
2. Option 2: Require minimum 1 space off street for accessible parking – 4 votes

Small site thresholds (for parking and other regulations)

Options:

- Support staff proposal (7,500 sf)
- Increase threshold to 10,000 sf, only applied to parking regulations
- Increase threshold to 10,000 sf, applied to all small site regulations

Reminder that this applies only outside frequent transit areas that have parking requirements. 76% of the properties outside frequent transit areas are 7,500 sf or less; 85% are 10,000 sf or less.

Bill showed diagrams of possible parking configurations on various sites (slides 49-50).

Other small sites regulations are intended to regulate multi-dwelling projects on small sites in the same way as houses, duplexes, and attached houses: Small accessory structures allowed in setback and exceptions to landscaped setback requirements (tree requirements can be met in other portions of site).

7,500 sf was chosen because it was seen as similar to typical house, duplex, attached house situations. 10,000 sf is a typical inner neighborhood double-lot situation.

Discussion

- *Commissioner Baugh*: How does moving to 10,000 sf work on a 60' wide lot? These would be deep lots.
 - Bill: Not requiring parking would make it easier to avoid having to do driveways on narrow sites.
 - *Commissioner Baugh* is concerned that we are trying to get more space for connectivity.
 - Tom: PBOT right-of-way dedication is a separate discussion; could both dedicate right-of-way and be exempt from parking requirements.
- *Commissioner Spevak* was motivated to suggest the threshold change after seeing many L-shaped buildings surrounding parking lots. Supports option 3. With a 50'x200' lot, it's not a great idea to have a narrow driveway to parking. For accessory structures and perhaps landscaping, would be inclined to apply same rules to any size site.

Straw poll

- Option 1: Support staff proposal (7,500 sf) – 4 votes
- Option 3: Increase threshold to 10,000 sf, applied to all small site regulations – *Support from Commission for this option.*

Consistency between parking requirements in multi-dwelling and commercial zones

Options:

1. Apply the proposed multi-dwelling zones parking regulations to the commercial/mixed use zones.
2. Do not amend the commercial/mixed use zones minimum parking ratios.

Staff encourages consistency in the code and supports option 1. For the most part, the commercial/mixed use parking requirements correspond to multi-dwelling, with the exception of how many spaces are required for large projects far from transit (currently 1:1 required for commercial; 1:2 required for multi-dwelling).

Mixed use zones are much more closely mapped to transit corridors, so 85% of the land is already within frequent transit buffer. 15% outside include Bridgeton and Hayden Island as well as Beaumont Village, Parkrose, West Portland, and other small areas.

Discussion

- Joe Zehnder: This project has been addressing the multi-dwelling zones, so putting in a provision about commercial/mixed use zones involves another constituency that may come to City Council.
- *Commissioner Spevak*: We should go for consistency; very few mixed use-zoned areas show where transit ought to go. It is crazy to have one space per residential unit required on that commercial strip.
- *Chair Schultz*: Supports concept and code simplification and consistency.

Straw poll:

- Option 1: Apply the proposed multi-dwelling zones parking regulations to the commercial/mixed use zones – 10 votes

Next steps:

- Next work session is on November 13.

Adjourn

Chair Schultz adjourned the meeting at 4:29 p.m.

Submitted by Love Jonson