

## Portland Planning and Sustainability Commission

November 13, 2018

12:30 p.m.

### Meeting Minutes

**Commissioners Present:** Jeff Bachrach, André Baugh, Ben Bortolazzo, Katie Larsell (arrived 12:46 p.m.), Daisy Quiñonez (arrived 12:37 p.m.), Michelle Rudd (arrived 1:26 p.m.), Chris Smith, Katherine Schultz, Eli Spevak, Teresa St Martin

**Commissioners Absent:** Mike Houck

**City Staff Presenting (BPS unless otherwise noted):** Joe Zehnder, Marty Stockton, Tom Armstrong, Bill Cunningham; April Bertelsen (PBOT)

*Chair Schultz* called the meeting to order at 12:32 p.m. and gave an overview of the agenda.

Documents and Presentations for today's meeting

### Director's Report

Joe Zehnder

- PSC members on BPS BAC this year are Commissioners *Larsell, Spevak* and *Chair Schultz*. If anyone else is interested, please let us know. This year's BAC and the whole budget process is different from past years. We are looking for input on how we're describing the budget programs (purpose, outcomes) are in line with priorities. We'll soon discuss with PSC officers on how we can better involve the PSC earlier in the budget process and on-going.

### Consent Agenda

- R/W #8529, Foster Floodplain Street Vacation.
- Consideration of Minutes from the October 23, 2018 PSC meeting.

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

(Y7 – Bachrach, Baugh, Bortolazzo, Smith, Schultz, Spevak, St Martin)

### 82<sup>nd</sup> Ave Study

Briefing: Marty Stockton; April Bertelsen (PBOT)

Presentation

Marty provided an overview and background about the project, which is to understand the barriers to development along the corridor. The project started 2 years ago in fall of 2016. This past year has been to incorporate initial feedback from the public. Before we come back to you in the first quarter of 2019 for a hearing, we wanted to provide this briefing.

We are still in the process of discussing and digesting the employment and “light industrial” evaluation. The area to the south of SE Bybee has a significant swath of EG2, which we’re proposing to go to EG1 to increase capacity along the corridor.

We looked at 7 site case studies, working with property owners. The market is not yet ready to develop the sites to their full zoning potential, so phasing will play an important part in this work. Scale is also a consideration we need to look at as achievable rents impose limitations on the scale and density that can be achieved in the near-term. Nodal development is also a key placemaking concept for this corridor (slide 5).

April highlighted projects with PBOT funding along or near 82<sup>nd</sup> Ave. Some of these were informed by early planning we’ve done over the past couple of years (e.g. Powell-Division).

PBOT also has a proposal to change the right-of-way dedication requirements on 82<sup>nd</sup> Ave: Make the private property dedication for public right-of-way the same as the current 90-ft Special Setback in the Zoning Code. This creates room for wider sidewalks or potentially future bicycle facility.

Potential changes to provide pedestrian and bicycle improvements may require future roadway narrowing and private property dedications.

The community would like 82<sup>nd</sup> Ave to be a civic corridor and more walkable. To achieve this, jurisdictional transfer (from ODOT to PBOT) has begun to identify priority actions and next steps (see the letter in today’s packet).

The draft will be published by the end of the calendar year. Staff expects to reconvene the CIC to review the draft report then have a hearing at the PSC in March, followed by a Council hearing in spring 2019.

## Discussion

*Commissioner Baugh:* There was an effort led by UO students and consultants on this corridor as well. Does this study include their ideas and strategies?

- April: That was in the early stages of the study. Most of what they developed was very visionary for 82<sup>nd</sup> Ave, pushing the aspirations. The study was to ground us what would be possible with the market today.

*Commissioner Baugh:* You said the current rents are a limiting factor today. Are you saying you’re going to wait until rents go up in this area to do any significant changes? I don’t want to force development that will gentrify, but I do want to give them what can fit for them in terms of development. Are the proposed zoning changes to keep in their capacity? And what capacity “help” will people here see?

- Marty: There was a middle frame that I agree with. Site studies and planning really looked at the existing zoning and existing market, and how the current property owners can redevelop in a phased manner. There are still barriers for financial lending, and that aspect is not part of this study. The idea of the site planning was to work with existing property owners and how they can stay on the property and phase over time. The problem with a number of properties is that they’re heavily parcelized. EG2 requires a 25-foot setback, which can be a huge portion of their site. Our proposal to change to EG1 is to remove barriers so property owners can expand.

*Commissioner Baugh:* This reminds me of a proposal from a number of years ago. We need to get something done.

- Marty: The study highlights the Jade District and Montavilla as emerging nodes that we could further zoom in on in terms of short-term City support. We have an Neighborhood Prosperity Initiative (NPI)

on 82<sup>nd</sup> Ave (at Jade District), and there is a recommendation to add an NPI on the corridor. We still need to look at the employment and economic development recommendations to decide what we'll include in the near-term proposal.

*Commissioner Larsell:* The study on light industry sounds like they were saying the area isn't suited for it. There is another area that community would like to see light industry (Gateway), and I'm wondering if there has been a study like this there.

- Marty: In terms of the market not supporting light industrial right now, the conclusion of the report said that things are changing quickly, so that was a snap-shot in time. The areas north of Killingsworth and south of Bybee are new areas for consideration. This whole area is one we need to evaluate periodically as the market continues to change.
- Joe: There have been a number of reviews of Gateway in terms of industrial opportunities, but I'm not sure about the specific parcel you're describing. Please let me know, and we can look into it.

*Commissioner Larsell:* This is in East Portland, and I'm interested in if you think of this as an East Portland street. Should it be included in a new plan for East Portland?

- Marty: 82<sup>nd</sup> Ave is truly the center of the city (geographically). It's also the divide between the Inner Pattern Area and the East Neighborhoods Pattern Area. If we can leverage state funding for improvements and a jurisdictional change in the future, we would like to do a civic corridor plan, but it will depend on the level of funding we receive. There is a desire to do a full civic corridor study of 82<sup>nd</sup>.

*Commissioner Bortolazzo:* I think of 82<sup>nd</sup> Ave as a poster child for commercial development from a previous era. Perhaps it's too diluted because it's such a long stretch and spread out. I like the preliminary urban design diagram that shows some prioritizing of nodes. Besides zone changes I'd be interested to know a bit more about what other zone tools we could use to move towards the nodal development instead of the spread-out version of development we see on the corridor.

- Marty: Not right now. We just finished lots of rezoning in the Comp Plan process, so lots of the commercial zoning has been significantly updated. Montavilla is now the new CM2. So a correction of commercial zoning has recently happened, along with the introduction of the two new employment areas. If there were significant transportation improvements or other ways to bring in public dollars in the area, that is when we'd consider if there are areas where there could be further upzoning.

*Commissioner Smith:* When I travel through inner neighborhoods and see commercially-zoned land, how does those relate to what light-industrial looks like on 82<sup>nd</sup>?

- Marty: This is similar. Some spaces are like "maker spaces" and flex spaces we're seeing in inner Portland.

*Commissioner Smith:* We talk about 82<sup>nd</sup> Ave as a divide. This is both geographically and in a transportation-related way. This is a 5-lane stroad that is difficult to cross by bike or foot. The projects on this list don't get to making the changes easy, but that's part of the jurisdictional change.

- April: At a minimum, we want to make crossing improvements. A jurisdictional transfer will take time, so we'll be working on what we can do in the interim while also pursuing the larger change. Outer Powell is an example of a good process we had with funding and getting the jurisdictional transfer.

*Commissioner Spevak:* I looked at the zoning in the corridor, which reminded me the amount of EG1 and EG2 is quite small. Almost all the rest is CM. So it looks more like MLK from a zoning standpoint. Looking ahead, I think as *Commissioner Larsell* noted, looking at 82<sup>nd</sup> and 122<sup>nd</sup> together could be a good study. I know retail

sometimes has a hard time in these situations. What about retail in the front and light industrial in the back? Could this work with the economics of this strip? I think the zoning approach you're looking at here is great. But I'm curious about the economic feasibility here.

- Marty: We'll have to look into the evaluation about this. In EG1, it's allowed up to 25,000 square feet in retail, but we can ask the consultants.
- April: We didn't look at this for the study in part because there isn't on-street parking, and under the current status with the state, we couldn't add parking.

*Commissioner Bachrach:* You mentioned a couple of new businesses like a commercial kitchen. I'd suggest you talk with them about what would have helped them, which would be a way to help other entrepreneurs who are looking to develop.

- Marty: This is a great suggestion. There is also a conversion of a former tire business to an indoor court facility.

## **Better Housing by Design**

Work Session: Tom Armstrong, Bill Cunningham

### Presentation

Bill introduced the topics in today's work session, which is a bit more focused than previous work sessions. He also gave an overview of the remaining work sessions with the PSC into early 2019.

*Item 1: Historic districts – allowances for development bonuses and FAR transfers.*

The PSC previously suggested that we don't exclude historic districts for development or FAR. So we have two options:

1. Allow all bonus and FAR transfer options in historic districts, with no specific design provisions.
2. Allow all bonus and FAR transfer options in historic districts, but require bonus height in RM4 zone to be set back 10' from roof edges (above 75').

At the October 25 work session, we talked about allowing transfers into historic districts and the affordable housing bonus.

Staff's proposals for stepping back additional building height provided by the deeper housing affordability bonus in the RM4 zone, when located in historic districts, is intended to help mitigate the visual appearance of this additional height.

The joint Historic Landmarks Commission (PHLC)-PSC work group talked about this, with two different suggestions (slide 6). Staff recommend continued discussion with the joint Landmarks-PSC work group to consider other potential regulatory approaches related to multi-dwelling zones in historic districts.

Tom: Once we define the other ideas, staff could also do outreach to the broader community, especially areas with historic districts, and would take place from December 2018 through March 2019. Staff would return to the PSC with suggestions for additional approaches by the April 9 PSC work session.

*Commissioner Bortolazzo:* On the 10-foot setback, that seems like a wholesale type of approach. Is that necessary? Could we look at it from the right-of-way perspective instead?

- Bill: Perhaps this only applies to the street-facing building; that is something we could look at. What we're putting out here is the concept of if we should modify the provision.

- Tom: In historic districts, we see lots of restrictions based on what side of the building is visible from the street. We could raise this with PHLC.

*Commissioner St Martin:* My sense of the stepback is that this would get a minor change. It may not get to what PHCL really gets at. So I'd encourage more work with PHLC instead of this tiny bite, which may not be an actual solution.

- Tom: There are some conditions on the owner-development side, but it doesn't get at all the PHLC expectations.

*Chair Schultz:* I am concerned about this based on my experience with the PHLC on specific projects I've worked on. I think we're really just poking at the bear here. Does a building at this scale in a historic district truly degrade the historic district? I understand the context question, but is it something we need to understand in a different light?

- The 85 feet is with the deeper affordability bonus here, so that adds even more of a decision point for PHCL to balance the idea of affordability and height. But it likely doesn't get used very often (going to 85 feet).

*Commissioner Smith:* We tried to synch zoning with historic in Task 5, and Council pushed back. So I think until Council figures out where they want to be, there isn't a lot of motivation for us to scale back. I'm inclined to keep pushing through the bonuses until we get further guidance.

*Commissioner Baugh:* There is a fundamental value issue... affordability needs to get into historic districts, so we need some compromise. I won't pretend to know what that is. There is a discussion about what's most important about must-haves and what they can give up to get to affordability. It currently looks like PHLC is against affordability at all (which isn't their standpoint).

*Chair Schultz:* If you lower base height in historic and then you add on, then you're hitting a compromise. But we've started with such a high base point. We might need to recraft where we start or push back on what we say is meeting the character of the district. Could you lower the height and still maintain the FAR they're allowed?

- Tom: At 4:1 yes, at 6:1 it's tight, but you could. At the deeper affordability, you can't get there.

*Commissioner Rudd:* Is the concern with height just about height, or is there a shadow issue there?

- Bill: It depends on the context. This is particularly challenging in the Alphabet District where some blocks are already 6 stories, while others are only 2-3 stories. PHLC has defined context on a block-by-block basis.

*Commissioner Rudd:* What do we want the context to be? Are there examples from other cities that we could offer Council, who could then define?

- Joe: This is like what we did when we were adjusting heights in the Central City Plan.

*Commissioner Spevak:* I agree that Council still needs to provide leadership. In this interim time, I think the setback idea is creative, but it makes something seem fair and objective, while it's actually discretionary.

*Commissioner Bachrach:* Should we force the issue as the PSC to decide what we think should be the outcome? If Council disagrees based on the PHLC recommendation, then we revisit. We are looking at a really significant objective for developers to hit. The need the certainty of what they can do so they can plan and finance.

Bill: There are substantial issues related to this whole topic, which won't be covered by the upper-level setback requirement. For a substantial change, it would have to continue in the PHLC-PSC work group. We need further discussion about scale in historic districts and figuring out priorities.

### General PSC support for deeper affordability and 85 feet.

*Item 2: 100-foot building height in the RM4 zone.*

Options:

1. Exclude historic districts from RM4 zone 100-foot height allowance (*both along frequent transit bus lines and near transit stations*).
2. Allow 100' building height in historic districts within 1000 feet of transit stations. Require this additional height to be set back 10 feet from roof edges (above 75 feet).

In the September 25 discussion, the PSC suggested exempting the 100' height to also apply to areas close to frequent-service bus lines. This would also include sites but exclude historic districts to the expanded 100' height.

Bill: Is the intention only where we're discussing expanding the 100 feet? Or does it also apply to where 100 feet is already allowed? The original proposed draft had not included this in terms of the context issues. But in fall 2016, Council had decided to continue to allow 100-foot building allowances in this area, so we thought to defer to this Council decision. It's still something the PSC can change or debate.

*Commissioner St Martin:* If in historic district, it has to go through PHLC for review. So I'd rather let them decide.

### General PSC support for allowing 100' building height in historic districts within 1000' of transit stations (no setback changes).

*Item 3: Consistency in historic district provisions between multi-dwelling zone and commercial/mixed use zone regulations.*

Options:

1. Bring consistency between historic district allowances in multi-dwelling and mixed-use zones.
  - a. Allow bonuses and FAR transfers in historic districts in mixed use zones.
  - b. Allow FAR to be transferred citywide in mixed use zones (instead of current 2-mile limit)
2. No change: do not allow bonus or FAR transfers in historic districts in mixed use zones.

Staff supports Option 1, as this would provide regulatory consistency between regulations in the multi-dwelling and commercial/mixed use zones, which allow similar types and scales of multi-dwelling development.

*Commissioner St Martin:* Allowing transfers out seems to support historic districts.

*Commissioner Rudd:* If I can transfer FAR more broadly, does the price of FAR goes up? It seems like it could go either way.

- Expands the number of potential receiving sites.

### General PSC support for 1a.

### General PSC support for 1b.

*Item 4: Visitability standards.*

Options:

1. No change – keep visitability standards as proposed.
2. Replace with requirements for “barrier-free entrances.”  
Sub-options:
  - a. Only require barrier-free entrances to units.
  - b. Also require these entrances to provide access to living space.

Visitability standards are to be regulated by building scale instead of unit density. 20 percent of the units have to be visitable in RM1 and higher-density zones. Visitability would primarily be applied to residential code buildings (townhouses, houses), which are not subject to building code requirements for accessible units (donut charts in slides 29-31).

Staff supports Option 2. This would avoid conflicts with the state building code, simplify administration, while reducing barriers to accessing units. We do think the City should be pushing the state for visitability provisions in residential, but they currently are not included.

*Commissioner Rudd:* In terms of advocacy at the state level, is that something we can do, or do all jurisdictions have to?

- Tom: We aren't sure. It's similar to the issue with tiny homes and historic conversions. It could take a number of ways to get at this.
- Bill: Terry Whitehill noted we could advocate for citywide changes or something specific for Portland.

*Commissioner Spevak:* I would like to get a legal option. It's never made sense to me that you can have a discretionary addition but if it's by right, you can't. Why does the building code care if you incentivize or if it's required?

- Tom: You can't force a developer to do it. You can incentivize them to choose to do it.

Bill: The barrier-free approach does have specific requirements to get into the unit. It would not guarantee the interiors are designed to accommodate wheelchair use. If we keep the more detailed approach, that will keep that part. But the more flexible option gets us more in line with current the state requirements. Barrier-free access shouldn't be a conflict with the building code. This is about getting to the unit... not what's inside. If we shift to a simpler approach, we suggest the same approach be used for both BHD and RIP.

*Chair Schultz:* This seems like semantics. Barrier-free is the dimension. We have requirements to meet at least in the commercial code about access and how you land into a living space or not. I'm wondering if this is just setting us up for a potential lawsuit. I am all for trying to work with the state to figure out what we can do, but I'm not sure this is the way to do it. I appreciate it, but I don't think it gets us there.

*Commissioner Spevak:* In RIP, we are playing this game a bit too. I actually like the idea of nudging the building code with the Zoning Code. If we wrote what visitability means, and if there is a lawsuit, does that put everything in jeopardy or just the piece?

*Commissioner Bortolazzo:* I think we're starting to mingle the codes, and that doesn't help clarify anything. But I also like the idea of providing a bit more access, though it's not saying the unit is fully accessible. Perhaps the place we can make the biggest advancement is going from the ROW to the entrance. We would still be allowing multiple-level units. Once you're at the threshold at the entrance of the unit, that creates more access for a broader spectrum of the population.

*Commissioner Bachrach:* I disagree about pushing the building code with the Zoning Code. If the statewide building code changes for smaller units, then we could look at this. But at this point, I don't think we have a sound enough program to create more regulations with uncertainty and potential increased costs.

*Commissioner St Martin:* I think we should either go whole-hog, or we should take it out.

General PSC support for dropping visitability standards for the multi-dwelling zones.

*Item 5: Visitability – maximum ramp slope.*

*Item 6: Visitability – exemption for raised lots.*

[Items 5 and 6 require no discussion based on the PSC's recommendation about dropping visitability standards.]

*Commissioner Smith:* Could staff work on an incentive package for visitability?

General PSC support for staff to work on a visitability incentive.

*Commissioner St Martin:* We need to support disabled accessibility. But we have to do it in a way that produces units that are usable.

Joe: To have an incentive, we'd have to estimate if it would actually pencil and work. I'm not sure what we're really going to find. We also care if the incentive just gets you to the front door, or if there are requirements to get farther into the building.

*Chair Schultz:* I'm pondering the expense question. Once you get inside, it seems like the only expense is about square footage and layout. I don't think the square footage difference makes or breaks the project; it's getting from the street to the front door where we'll see the most cost.

## **Adjourn**

*Chair Schultz* adjourned the meeting at 2:47 p.m.