

STATE OF THE CITY DESIGN REPORT 2014

PORTLAND DESIGN COMMISSION

JULY 31, 2014

Portland is well known for its forward-thinking urban and transportation planning and development, its culture of openness and civic engagement, and its embrace of environmental protection not only outside its growth boundary but within its borders. These policies have helped Portland preserve and enhance its Central City and its many vibrant neighborhoods, which have in turn attracted thousands of new people to the city. In many ways, we have become famous as a city not because of any one particular robust industry or employer, but because of the healthy evolution of the city itself.

Of course, this vibrant city did not occur by accident. It took vision on the part of our elected leaders. Portland has also succeeded because it has looked for and received not passive consent but rather the active engagement of our citizenry in shaping the policies and the resulting places of which we are so proud. The Portland Design Commission is one constellation in the galaxy of volunteer groups and organizations that have committed to making Portland a great city.

The Design Commission's purpose is to provide leadership and expertise on urban design and architecture and on maintaining and enhancing Portland's historical and architectural heritage.

We consist of these seven volunteer members:

- Guenevere Millius, Chair. Guenevere is our “commissioner at large” and came to the commission through her neighborhood association activism. She is the owner of Parachute Strategies, a strategic planning and marketing consulting firm.
- David Wark, Vice Chair, is our representative from the Regional Arts and Culture Council and is a Principal with Hennebery Eddy Architecture.
- Jane Hansen is a landscape architect and Principal and Lango / Hansen Landscape Architecture.
- Ben Kaiser is a developer of residential and commercial properties, mostly within North and Northeast Portland.
- David Keltner is a Principal with THA Architecture
- Tad Savinar is an artist and an independent urban design consultant
- Jeff Simpson is a landscape architect and the owner of simp.I design, llc, a landscape architecture, land development services, and urban planning firm.

Per city statute, our duties include:

1. Recommending the establishment, amendment, or removal of a design district to the Planning and Sustainability Commission and City Council;

2. Developing design guidelines for adoption by City Council for all design districts except Historic Districts and Conservation Districts;
3. Reviewing major developments within design districts, except those projects involving or located in Historic or Conservation Districts or projects that are themselves Historic or Conservation Landmarks
4. Reviewing other land use requests assigned to the Design Commission; and
5. Providing advice on design matters to the Hearings Officer, Planning and Sustainability Commission, Historic Landmarks Commission, Portland Development Commission, and City Council.

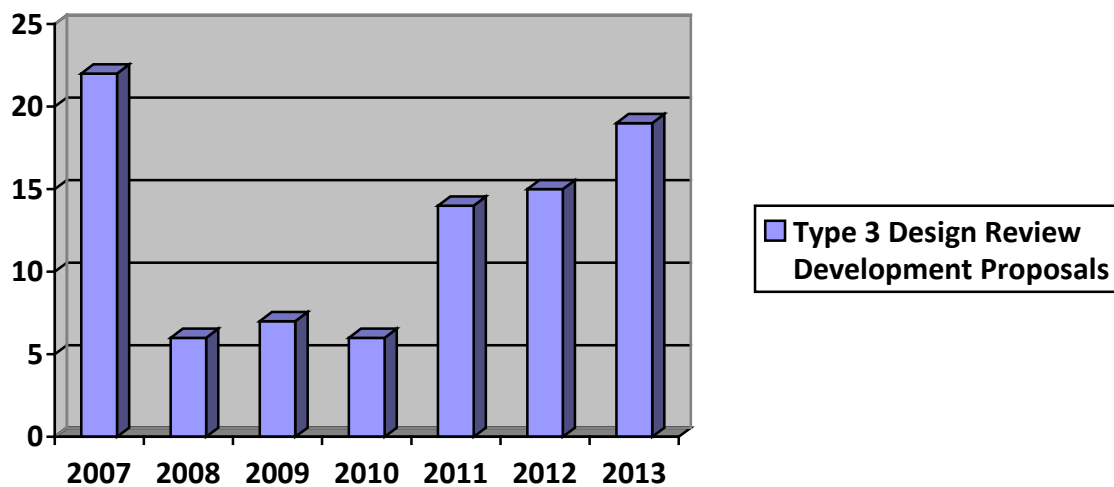
THE WORKLOAD: RECOVERY FROM RECESSION AND THEN SOME.

The Design Commission never sees many of the projects that undergo design review. The Bureau of Development Services' skilled staff of planners consults with property owners and their development teams on scores of smaller "Type I and II" projects in the city's design districts. Our commission will only see these projects when the property owner, a neighborhood group, or concerned citizen appeals a staff decision, or staff denies the case.

It's a noteworthy fact that especially in recent years, appeals are rare. Less than 1% of all cases are appealed. It's a testament to the planners who serve the city, who, along with our commission, strive to get to "yes." While we point to this figure with some pride, it must also be said that our appeal rate is directly tied to the fact that although we have upheld appeals brought before us, the Design Commission hasn't voted to deny a case in years. This figure, too, can be credited to the willingness of the commission and design teams to work together cooperatively to make projects better. In the eyes of some, however, it's a sign that the commission could stand to be more rigorous and say "no" to projects more often.

As one can imagine, the economy has had a clear and direct impact on the volume and type of projects we review. While we were still in a deep recession and building slump at the start of this decade, over the last two years, the number of applications for design review has increased at a steady pace, reportedly eclipsing the volume seen in the mid-2000's. This turnaround in the economy is reflected both in a sharp uptick in hiring at the Bureau of Development Services and in the workload our commission is currently experiencing. We have returned to the era of 6+ hour bi-monthly hearings, and have been adding additional hearings to our calendar to help move projects through the review pipeline.

An below graphic illustrates the height of the mid 2000's building boom, its depth, and the recent recovery.



It is notable that as of July 2014: 11 Type 3 Design Review cases have been scheduled before the Commission, on par with 2007.

BEYOND THE NUMBERS: THE ETHOS OF TODAY'S COMMISSION

Beyond performing the basic functions we're tasked with, our current commission feels duty-bound to offer the public it serves with the following:

1. Clarity

Using city-adopted design guidelines as well as our combined professional experience as a foundation, we strive to offer design teams clarity in direction, and to avoid obtuse and subjective responses to their design work. The balance we strike is to articulate our concerns about a project without attempting to redesign the project ourselves. We take an expansive approach to addressing a project's issues, offering the design team multiple possible alternatives to improve their project.

Clarity is an outcome of understanding, and we believe an applicant can achieve understanding for all involved via clear lines of communication between them, their planner, the affected neighborhood, and our commission. We therefore encourage development teams to contact staff and neighborhood associations early and often.

2. Predictability

We do our best to inject a measure of predictability in the process for applicants. When an owner acquires a property, they know there are certain things they are able to do with it within right, which usually includes use, height, and floor area ratios. As a commission, we're sensitive to their need to know that while there will likely be give and take on the application of design guidelines to the building envelope they're within right to build, their fundamental right to develop will be protected. We are a commission that is both pro-development and pro-design, and we believe the two can and do co-exist happily in Portland.

3. Consistency

We work to maintain a measure of consistency in our approach to individual projects as well as in response to design trends over multiple projects.

One critical and effective tool available to the Commission since 2004 is the Design Advice Request hearing. It allows project teams to meet with our commission to seek design advice before they submit their formal application. We use these sessions to give the applicant an early impression of how the commission might respond to their application, and to offer a measure of transparency in our thinking. These design advice meetings also mean that we will see a project at least twice. Our goal is to offer constructive, progressive advice on the development of a project and to avoid contradictory advice from one hearing to the next.

It is important to note that although we try to remain consistent in our reasoning and approach to an individual case, our thinking about design in the public realm can and does evolve over time and on a case-by-case basis. Certain materials, design features and approaches might be appropriate for one project but not another. In addition, we are students of our decisions, and we build our knowledge of what works well in our city based on revisiting the pluses and minuses of projects we approved in the past.

Furthermore, we are not one mind. We are seven individuals from different neighborhoods and different professional backgrounds and therefore we may not always agree. As a commission, we are comfortable with this diversity and mention it here merely to explain the multi-faceted process that greets our applicants.

4. Fairness

The concept of fairness is vague and subjective – it is very much in the eye of the beholder. Our effort to be fair, as a commission, includes holding all design teams to high standards in terms of quality and permanence in their work, treating the most and least sophisticated development teams with respect, and offering applicants, appellants, and the members of the public who testify before us our full consideration of their concerns. It isn't always possible, but we strive to broker solutions that avoid creating "winners and losers."

THE CHALLENGES BEFORE US

Whether it's a "fabric building" or an iconic project, will we want this development around for a hundred years or more?

As a commission, we realize that while very few buildings are with us "forever," we might be living with a project we approved for the rest of our lives. Furthermore our grand children and generations beyond will be living in, working in, and looking at these buildings. Therefore, we need to be sure that the developments we approve are built to last, that they fit into the city's fabric, and that they have something to give back to all of us. We ask ourselves these

questions: Is it compatible to its neighborhood? Is it inviting? Will it stand for a 100 years, and will we want it to? We understand that a design that is equal to or greater than its surroundings can raise the standards of livability and economic vitality and inversely, a building that is poorly designed or constructed of impermanent materials devalues its neighborhood for years to come.

We're deeply concerned about the execution of details on the projects we see. We care in particular about how all the pieces of a building come together, especially on the ground floor, where most of us will interact with it. The richness and quality of a building's materials and construction are much more visible and important when you're walking by or riding your bike past it, as opposed to speeding by it in a car. In this pedestrian friendly city, we have a deep concern for how a building looks up close.

This is not to say that every building in Portland's design districts needs to be a Taj Mahal. Some buildings can and should blend softly into the background. Others, because of their prominent location, function, or size require a "presence" on their site. One of our jobs is to understand how the development team views their project, and to interject our own sense of what role the building needs to fulfill in its surroundings. But in any case, all buildings in a design district must offer high quality materials, carefully considered details, and a measure of transparency and openness to their surroundings.

When building materials are constantly changing, their quality and permanence can be quite fluid

A common concept in Portland's design guidelines is the notion that developments should use materials of high quality and permanence. If humankind had stopped innovating our building material palette at stone, wood, glass and metal, the issue of quality and permanence would be relatively simple to address, but that's not the case. Scores of new products appear and disappear from the market yearly, while more familiar products are continuously improved in response to strengthened energy codes, new regulations, and market forces.

As a result, the design commission needs to have a certain level of experience and understanding of the cost and quality of a host of building products on the market, and because they constantly change, our thinking on materials needs to evolve as the marketplace changes.

What is compatible?

Some of our design districts are in neighborhoods that don't have a strong design vocabulary to draw from, or perhaps, have a design vocabulary that the surrounding neighbors are hoping to correct through design review. As a commission, we must weigh in on design guidelines that address district compatibility. In the face of a hodge-podge of design styles and widely varying degrees of quality, how do we determine what's compatible?

In many of Portland's Design districts, a parallel development track allows building owners to use "Community Design Standards" to design their project and avoid design review all together.

These standards, established in Section 33.218 in Portland's Zoning Code, were written in the 1980's. We have been approached by a number of concerned citizens about what is increasingly viewed as an outdated loophole in Portland's development code. Furthermore, we grow increasingly concerned by poor-quality projects that have proliferated by following the prescribed Community Design Standard path. We strongly believe that it is time to, at minimum, review and revise Community Design Standards to reflect the changed nature of the neighborhoods to which they apply.

We also note with concern that the set of community design standards used city-wide were originally written for a single district. They have since been adopted whole cloth in all design districts with the two-track system. We do not think they can reasonably be called "community" design standards with this one-size fits all approach. Some consideration should be taken for the differences between Portland's diverse design districts as we review our Community Design Standards.

Beyond putting a "d" on it: what are the implications of expanding design review?

Design Commissioners are often approached by our neighbors and friends in parts of the city that are vibrant and experiencing heavy redevelopment but are not part of a design district. People simply assume that design review applies there, and they wonder how it was that our commission could have allowed thus and such project to be built. Others, knowing well that their district does not have design review, are concerned about the pace and radically different nature of new development in their neighborhood.

It is worth considering whether enough of our city enjoys the benefits of design review. Indeed, neighborhood associations tend to favor having the ability to shape design guidelines and the ability to apply higher standards to new development within their borders. Over the long-term, it would be easy to imagine Sunnyside, Hosford-Abernethy, and similar neighborhoods seeking design review for their neighborhoods, or for at least the commercial and transit corridors within these districts.

That being said, the services provided by Bureau of Development Services and its planning staff are funded entirely by fees. When BDS is required to cover the cost of its services entirely through fees, it can get pretty expensive for, say, the owner of a single-family home in the Irvington Historic District. The fees can also feel excessive to smaller real estate developers, and they are starting to have a negative effect on their desire to develop within Portland's design districts.

Furthermore, because BDS staff salaries are paid with development fees, the budget for planner hires lags behind the work load. At this time, that lag is having a considerable impact on the planning team's capacity to respond to design review applications in a timely way, and is putting further pressure on our volunteer commission.

With these trends in mind, we favor expansion of design review to key areas of the city coupled with a thorough reconsideration of how we pay for design review. For instance, Portland currently has a sliding scale for development fees with a cap applied once a project reaches \$5 million in value. What this means is that the developer of a \$5 million building is paying the same fee as that of a \$30 million building. Could opening the scale up at the high end allow us to provide more affordable design review for small property owners? Furthermore, if design review is important to the entire city, should it be paid for solely by fees, or should it be considered a common good that is paid for, at least in part, by all of us?

In addition, we are open to coupling expansion of design review into areas such as Hosford-Abernethy, Sunnyside, and elsewhere with an exploration of new models for conducting it. Ideas include creating a second design commission, or having commissions assigned to each of the city's quadrants, for instance.

SOCIAL AND ECONOMIC EQUITY AS A FACTOR IN DESIGN REVIEW

The Design Commission increasingly addresses the question of social equity and economic viability and their nexus when it comes to design review. For instance, in the eyes of some, "quality and permanence" in materials could mean something very different in the Central City Design District than in the one in Gateway. Development teams in design districts outside the Central City report to us that their markets can't support the higher-end building materials so often required downtown. Others feel that to hold development teams in emerging neighborhoods to lesser standards than the Central City has the potential to erode effective design districts.

As a commission, we err on the side of pushing for a significant measure of the materials, detail, and pedestrian friendliness that would absolutely be required in downtown when we look at projects in neighborhoods like Gateway. We believe that when these neighborhoods accepted light rail lines and increased density, they expected in return buildings that are more humane, built to last, and friendly to their neighbors. But there's a balance to be struck, and it isn't always easy to find. Here are some of the challenges in this arena:

Affordability and quality: allowing for a middle ground.

Design Commission routinely addresses what role an awareness of budgets should play in our review of buildings. Some commissioners have expressed concern that the act of Design Review, because it adds to development costs, has given Portland better looking projects but has taken away a measure of affordability. The challenge before us is to balance applying guidelines requiring quality and permanence in materials with the demands of budgets that would allow a building to be developed in a design district and still offer reasonable rents.

Vibrant neighborhoods don't need to be perfect, and in fact, they're often a little funky. That's what gives them their soul. Many of the young, creative people our city is so fond of attracting can't afford unsubsidized rent in the Pearl. So how do we, as a commission, help affordable

housing projects in design districts come to fruition without allowing them to be dumbed down or pushing their rents up to near market rates?

It's not an easy question to answer – it's one we really have to address on a project-by-project basis. Ultimately, we have to ask ourselves: can the same project be done better for the same budget? If the answer is yes, it's our obligation to push for the better design. But the truth is, sometimes better design costs more, and we must again strike a balance between helping projects see the light of day and protecting the long-term property values and interests of the development's neighbors.

Density's impact on Portland's existing neighborhoods

The trouble with split-zoned blocks

The recent boom in condominium development and the recession-fuelled drive to build more apartments has highlighted a zoning issue that has laid dormant in several Portland neighborhoods for years: the split zoned block. The Design Commission often sees homeowners who discover for the first time that the property on the other side of their fence has high-density zoning when a new apartment complex is proposed. Their shock over the idea of four and five story buildings looming over what they had considered private air space is palpable. They are further dismayed when they realize that their property doesn't share a similar zone and therefore they can't enjoy the financial gains of redevelopment themselves. Development teams, even when building completely within right and without requests for modifications, often struggle to provide meaningful buffers between these projects and their neighbors.

Portland needs to address areas where split zoned blocks exist, and work toward creating a more comfortable fit between new, denser development and the existing fabric of neighborhoods. We were hoping that more of these issues would be addressed in the Portland Plan. Because they weren't, we will be pushing for help with this issue in the update of the Comprehensive Plan and critical improvements to the Central City 2035 Quadrant Plans.

Our concern applies not just to projects within our purview; it's an issue in every rapidly developing neighborhood in Portland. The extent to which density is inserted in neighborhoods in an insensitive and unconsidered way will have a direct impact on Portland's citizens' willingness to accept it.

Apartments and parking

As you are aware, the Portland real estate market has arrived at a place where it is now economically feasible to build apartment buildings that have fewer than one parking spot per unit, and in some cases, no parking whatsoever. Apparently, we can now expect apartment dwellers along SE Division, SE Hawthorne, NE Alberta, and other attractive eastside neighborhoods to either be willing to live without a car or at least live knowing that they'll have to hunt for a nearby street parking space in their neighborhood every time they drive. Essentially,

we are seeing what has been the long-time norm in the Northwest District spill into revitalized and rejuvenating neighborhoods across Portland.

On one hand, this trend represents Portland's grand planning dream come to fruition. We finally live in a city where it is not necessarily a given that one must have a car. By dedicating space entirely to living spaces for people instead of storage places for cars, these apartment projects are making it possible for more people, including people of limited means, to live close to the kinds of amenities and services that Portlanders hold dear.

And one does not have to look far in America to see how *requiring* parking in multi-family developments has a deadening effect on street life. Towers surrounded by moats of parking and buildings whose ground floors are consumed entirely by parking garages are the fruit born by requiring a 1 to 1 or 2 to 1 ratio of parking spaces to units. In Portland, when we began to take back our city from freeway development; when we started working for walking neighborhoods and good transit that was safe, convenient, and affordable; when we started striving for a city that people *sought* to live in rather than hoped one day to flee, wasn't being able to build a multi-family building without worrying about where the cars would go a logical extension of that dream becoming reality?

Of course, as you know, the reaction to these un- and under-parked multi-family buildings landing in established Portland neighborhoods has been mixed at best. Because few of the design districts over which we have jurisdiction have any parking requirements, and those that do allow buildings to be "under-parked" by right, we don't have much say over whether or not a developer elects to include parking. Meanwhile, neighbors and neighborhood associations continue to visit us in droves with parking counts in new projects ranking high among their concerns, and they are frustrated that we can't talk about parking. Often, the parking issue looms so large for them, that issues with the architecture – the stuff we can talk about – is nearly ignored.

We understand, some of us on a very personal level, how hard it can be to adjust to new density and commercial activity in an established neighborhood. All of a sudden, that parking space you could always find right in front of your driveway-less bungalow evaporates. All of a sudden, you're walking one and two and three blocks with your kids and your groceries, it's true.

However, it needs to be said that today's Design Commission strongly supports Portland's efforts to grow denser, more urban, and more livable for a wide variety of people, including those – even families with children - who choose to live without a car. As we noted last year, we were disappointed that Council elected to go beyond the Planning Commission's recommendations for including parking in new multi-family development. As a commission, we're concerned about the one-size fits all approach to the change. Indeed, we'd prefer a more studied approach of the proper balance to strike as part of the upcoming Comprehensive Plan.

We strongly believe that we are a better served as a city when we look at parking as a district-wide issue rather than a problem every building on every lot must solve. We recently looked on in dismay as three projects at the Burnside Bridgehead, which were under the control of the Portland Development Commission, came before us, each with their own parking solution. One of these projects is trying to wedge parking into a lot ill suited to host it. The situation struck us as a missed opportunity for the city and the development teams to come up with a creative way to develop a shared parking facility for the five block development. We're very interested to see more shared and creative solutions to parking as we become a denser city.

Although we are supportive of developing less parking and more habitable space, we have deep concerns about the ability of the city's transportation infrastructure to keep pace with development and support these newly dense neighborhoods. If we tell people that it's possible to live in Portland without a car, there ought to be a stellar transit system there to back up the promise. If we ask people to walk three blocks with toddlers and groceries in tow, the sidewalk should be well-maintained, barrier-free and well lit.

When neighborhoods come to us with concerns about parking, they're not always focused on the pain of losing their parking spaces. They've also brought concerns that the "transit-oriented" developments in their neighborhood are decreasingly served by our transit agency, especially when it comes to bus lines. We agree with these neighbors that this issue is of considerable concern. It is unfortunate that at the very moment Portland real estate and renters' sensibilities seem to have arrived at our dreamed-of, car-free urbanism, our transit agency continues to face bedeviling fiscal challenges. We also note Portland's issues with maintaining our significant investments in sidewalks and roads, and your own frustrations with finding the means to pay for them.

We think that the policy makers in this city that care about planning, sustainability, and the vibrancy of our city should pay close attention to this issue, and should be pushing for sensible, sustainable transportation planning by Bureau of Planning and Sustainability, Metro, TriMet and Bureau of Transportation. While our review of transportation projects is somewhat limited, we see the impact that these budget issues are having on the neighborhoods we serve. We recommend that PBOT and TriMet work together to find some realistic solutions to their budget issues. Excellent architecture deserves excellent transportation systems.

How do we make development humane?

In recent deliberations over apartment projects, our commission has discussed issues that don't necessarily fall within the rubric of design guidelines, but do touch on areas of broader interest to the health of the city. For instance: what can be done to make our housing stock more humane for its inhabitants and friendlier to its surroundings? We have recently exhorted development teams to consider issues such as access to light; adequate ventilation, including cooling; and more generous ceiling heights in apartment units, especially in a city where the acceptable size of living units is getting smaller.

Sometimes, a solution we typically think of as humane is actually a hazard in a given context. Applicants have specifically requested that we reconsider design guidelines when their application has a potentially deleterious effect on their property. We have to consider the sociology of neighborhood, public safety, and the greater public good at once when we grant these exceptions.

Keeping the social contract alive

In a recent presentation by planning staff regarding the 2035 Comprehensive Plan, we discussed with great interest and concern the need to “renew the social contract” with Portland’s citizens when it comes to density, parking, and the pace of change. As the commission that sees the projects that are direct and material translation of planning policies, and the recipient of the reactions to those policies, we have a part to play in maintaining that contract.

With that in mind, we are asking various neighborhoods to host us on informal tours. We hope to learn more about the projects they love, the buildings they wish would disappear, and their hopes and dreams for their neighborhood. We hope these tours will provide a good opportunity for dialogue outside the pressure-cooker atmosphere of a design review hearing, and perhaps give us insight to what is happening in “hot” neighborhoods where design review does not apply.

A CONCLUSION, OR A CONTINUATION OF THE CONVERSATION.

We greatly appreciate the opportunity to present to you.

In conclusion, we request the following:

1. As the economy improves and development continues its upward trend, **we hope City Council will fund an update to Portland’s Community Design Standards.** These outdated standards need to be reviewed in the face of the myriad zoning adjustments and changes to the built environment that weren’t envisioned when they were first developed.
2. We hope you will join us in advocating for better equity in some of Portland’s rapidly changing neighborhoods by **helping us eliminate issues such as split-zoned blocks, especially in cases where a significant difference in property value is effectively created by the split zone.**
3. We hope you will open the opportunity to consider design review’s future role in our city, either through the **expansion of design districts or considering some sort of threshold that would trigger design review anywhere in the city, such as main street corridors or other special areas where enhanced design review oversight would be beneficial.**
4. If we expand design review to new parts of the city, we want to examine carefully how we will create capacity for these new cases.

5. We hope you will support and **encourage PBOT, Trimet and any other bureau or agency that has a hand in transportation policy to take real and considered measures to develop a long-term, sustainable approach to transportation development** that makes sense for a city that is growing more dense by the year.
6. We hope you will support our nascent efforts to take listening tours of the communities impacted by new development.
7. Finally, we hope that the City Council understands that we are a resource for the City, and we're here to serve, even beyond our routine design review work. Commissioners regularly advocate for better design on steering committees, advisory groups, and more informally with development teams who seek our guidance. **When a matter comes before you, and design insight might play a role, please call on us to help as early and as often as needed.**

We greatly appreciate the opportunity to play a part in shaping a stronger Portland. Thank you for your time and consideration.