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5/8/13

G. MILLIUS

1. I'd like to thank City Council for their time today

And thanks for having us back for this, our second state of the city's design review process presentation. Those of you who were here last year might recall some persistent themes from last year's presentation but I promise you, there's some new material here.

3. I'd like to introduce you to the members of the commission, some of whom are here:

- So, I am Guenevere Millius, the Chair. I am the "commissioner at large" and came to the commission through my neighborhood association activism. I own Parachute Strategies, a strategic planning and marketing consulting firm.
- David Wark, our 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~~ at 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

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- Tad Savinar is an artist and an independent urban design consultant, and
- Jeff Simpson is a landscape architect and the owner of simp.l design, llc, a landscape architecture, land development services, and urban planning firm.

4. I'd like to give you the run down of our responsibilities, according to statute:

1. We recommend the establishment, amendment, or removal of a design district to the Planning and Sustainability Commission and City Council;
2. We develop design guidelines, for adoption by City Council, for all design districts except Historic Districts and Conservation Districts;
3. We review 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. We review other land use requests assigned to the Design Commission; and
5. We provide advice on design matters to the Hearings Officer, Planning and Sustainability Commission, Historic Landmarks Commission, Portland Development Commission, and to YOU.

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5. I'll spend a moment filling you in on the workload, at least since I began my tenure

I have been on the commission since October of 2006, when the real estate market was still booming. I joined the commission at the end of an era of *many* long hours of preparing for hearings and still more hours working through them.

As my fellow commissioners have heard many times now – I'm sure they're sick of the story - my first hearing as a newly minted design commissioner was 8 hours long. In one single hearing in 2007, our commission reviewed 1,000,000 square feet of new development, representing hundreds of millions of dollars in economic impact to Portland.

Eighteen months later, as we all know, it was an entirely different story. There are some tables in the packet submitted to you that illustrates the cliff we stepped off:

- from 2009 to 2010, we saw a 66% drop in Type I & II cases, which are reviewed and approved at the staff level; and

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- from 2007 to 2008, we saw a 73% drop in Type III cases, which are the ones that come to us directly for review.
- So we went from 22 Type III case in 2007, which was our peak in the last six years to 6, 7 and 6 cases in the three years following. We had 14 cases in 2011 and 15 in 2012, which is a clear indication that we are in recovery, although it is a somewhat tenuous one.
- There's an element of déjà vu in this recovery as well. In 2007, the bulk of our cases were condos. Today, it's apartments. There's a lot of speculation and some concern about when exactly we will reach market saturation for that building type. In any case, apartment projects have led the real estate development recovery in Portland. And, once again, with this rush to build apartments – the 8 hour design commission hearing is back! So it is starting feel like 2006 all over again.

6. Commission Ethos

The numbers aside, the notable thing for me is that having seen real estate development at its recent zenith and nadir; the underlying principles we use to approach projects remain the same. Our thinking does evolve but these bedrock ideas still apply:

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We strive to bring to our review process the following:

1. Clarity
2. Predictability
3. Consistency
4. Fairness

I gave a brief explanation of our thinking on each of those core values in my report to you, and am happy to expound on them if need be, but I want to make it clear to City Council that to a person, our commissioners take our responsibility to ^{apply} ~~offer each applicant~~ those four values ^{to each application} ~~as part of their design review experience~~ quite seriously.

7. Now, I'd like to give you a taste of some of the challenges before us

There are major themes we consider again and again as we review projects, such as:

7 a. Whether it's a "fabric building" or an iconic project, will we always want the building under consideration to be around for a hundred years or more?

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This is what I call the issue of “forever.” Of course, even the best built buildings aren’t with us “forever,” but I will be looking at many of the buildings we approve for the rest of my life, and my kids and grandkids probably will be, too, so it’s a forever of sorts.

Frank Lloyd Wright once said something to the effect that doctors can bury their mistakes but the best architects can do is plant vines.

Given that, we need to be sure that the developments we approve:

- are built to last,
- fit into the city’s fabric, and
- 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?

When we review a building, we care about:

- the execution of details, and

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- how all the pieces of a building come together, especially on the ground floor, where most of us will interact with it.
- We believe that in this pedestrian friendly city, it's important to consider how a building looks up close, not just the impression you get driving by in a car.

Whether a building is meant to fade softly into the background or be a landmark in its district, it should offer high quality materials, carefully considered details, and a measure of transparency and openness to their surroundings.

Another design challenge:

7b. Nearly every design district calls for “quality and permanence in development” in their design guidelines, but when building materials are constantly changing, their quality and permanence can be quite fluid.

The take-away here is that we are asked to consider a lot of “new-fangled” building products that are not really time-tested. We’ve also seen a lot of building products evolve as energy codes, market forces, and manufacturing process change. As a commission, we end up needing to maintain a

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sub-specialty of knowledge on building systems and materials, and it's quite a thing to keep up with.

7c. What is compatible?

We are asked to consider whether or not new buildings are “compatible” with the design district in which they are proposed. The challenge before us is that 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.

So, in the face of a hodge-podge of design styles and widely varying degrees of quality, how do we determine what's compatible?

Matters can be made a little more complicated, at least from the standpoint of the neighborhood associations, in that 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.

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Many of these standards were written in the 1980's. The extent to which they are still "compatible" with the area that they apply to is certainly debatable. We have been approached by a number of concerned citizens about what is increasingly viewed as an outdated loophole in our code. 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.

Another challenge before is:

7d. Will putting a "d" on it solve a neighborhood's design woes?

Design Commissioners often hear from neighbors and friends who live in vibrant districts that are experiencing significant redevelopment but are not part of a design district. People 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.

The loci of development in Portland have shifted substantially in the last 20 years, and it is worth considering whether enough of our city enjoys the benefits of design review. 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. It

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would be easy to imagine Sunnyside, Hosford-Abernethy, and similar neighborhoods seeking design review for their neighborhoods.

However, if we expand design review in Portland, we will need to address the funding model. The Bureau of Development Services and its planning staff are funded entirely by fees. When BDS is required to cover the cost of its services in this way, small projects and renovations can suffer for it. We are hearing that high fees are having a negative effect on the willingness and ability of small real estate developers to build within Portland's design districts.

We favor expansion of design review to key areas of the city coupled with a thorough reconsideration of how we pay for it. For instance, we mentioned in our report an adjustment to the upward limit of the sliding scale for development fees as a possible method to balance the fee-based funding system and protect small property owners from excessive fees.

8. Now, I'd like to touch on SOCIAL AND ECONOMIC EQUITY AS A FACTOR IN DESIGN REVIEW

I think it's a fascinating time to be involved in Portland planning conversations because of a new emphasis on

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social equity. It's refreshing to see the city consider their plans for development in terms of the overall health of the people who live here.

The Design Commission is increasingly addressing 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 those in outlying districts.
- 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.

Ultimately, I think we err on the side of giving the districts outside the Central City the best value for the investment in their neighborhood that we can get. We believe that when these neighborhoods accepted light rail lines and increased

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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:

8a. Finding the middle ground between affordability and quality is a constant concern.

This probably doesn't come as news to you, but budget is always a factor in getting something built. Some design commissioners have expressed concerns 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. So the challenge before us is to balance pushing the quality and permanence in materials on these projects while understanding budget demands, especially for projects that are trying to offer affordable rents.

Ultimately, we have to ask ourselves: can the 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

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the light of day and protecting the long-term property values and interests of the development's neighbors.

8b. Another challenge is sorting out how to make denser zoning work in existing neighborhoods

Between the recent boom in condominium development and the current drive to build more apartments, we've uncovered a zoning issue that has laid dormant in several Portland neighborhoods for years: the split zoned block. Here's how that story goes:

- The Design Commission often sees homeowners who discover, for the first time, that the property on the other side of their backfence 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 their projects and the neighbors.

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Now, when we have the opportunity to review proposed zoning changes in ^adesign district, we look very long and hard at places where split zone blocks occur, and we've had some success at mitigating areas where zoning was likely to create these inequities.

However, we do think the city needs to address other areas where split zoned blocks exist to help create a more comfortable fit between new, denser development and the existing fabric of neighborhoods. We had hoped 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 the 2035 Quadrant Plans.

Another question we take on is:

8c. How do we make development humane?

The numerous apartment projects on the docket have opened up discussions on 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 new housing stock more humane for its inhabitants and friendlier to its surroundings?

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We have recently requested that development teams consider for their tenants:

- 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.

Ultimately, we want that transition from density as a *concept* to density as a *reality* to be humane and workable for our fellow citizens, so we're reviewing projects with a view to that goal.

Parking for apartments can also be a social equity issue.

You are all quite aware of the controversy over apartments and parking. Although our commission has almost no say in the parking counts for projects that come to us, it has become the issue we hear the most about when new projects arrive in any neighborhood, downtown included. Generally our approach is to mitigate the impact of parking on the pedestrian realm when it's there; explain our role – or lack thereof – in the regulation of parking; and educate the public on the zoning code as it stands. But it should be said that parking, when it is included, has a real impact on the

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aesthetics and economics of a building, and it has an impact on how humane developments feel when they're done.

I've been on the commission long enough to know that even when developers do include parking in their developments, it can cause friction for neighbors. Nobody wants to look at a garage from their living room window. Surface parking lots can be noisy, smelly, and a source of unwanted light pollution. So we've heard complaints from that angle is well. There's no question that designing for the storage of cars is a conundrum.

For those of us who have been tracking urban design policy in Portland, the disappearing parking phenomena is something of a moment to observe: the Portland real estate market had arrived at a place where it was economically feasible to build apartment buildings that have fewer than one parking spot per unit, and in some cases, with no parking at all. I thought this remarkable in a city that one of Erik Sten's staffers remarked to me was, for all its vaunted mass transit, a "secret car town."

To me, it really represented 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. This trend

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meant more compact neighborhoods and more rentable living spaces. More apartments mean lower rents, which ultimately helps make it more affordable for people at and below the median family income to afford to live in Portland – both in terms of rent savings and in terms of potentially being able to forgo the expense of maintaining a car.

We understand, some of us on a very personal level, how hard it can be to adjust to new density in an established neighborhood. 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 you know from our written testimony at your recent hearing on apartment parking requirements, we would have preferred a more careful study of the impact that requiring parking will have on both rents and the urban fabric in Portland's neighborhoods. We were disappointed that Council elected to go beyond the Planning Commission's recommendations for including parking in new multi-family development, but we continue to hope for a more studied approach to the issue as part of the upcoming Comprehensive Plan.

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Meanwhile, we have also been on record about our 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 car-free in Portland, there ought to be a stellar transit system to back up the promise. If we ask people to walk three blocks from a parking spot or bus-stop 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 transit, especially when it comes to bus lines. So we will be watching closely as TriMet works through it's budget issues, and we will want to hear more about what PBOT will be doing to protect and maintain Portland's considerable public infrastructure. We are not a commission that considers buildings as if they were being developed in a vacuum. We're interested and concerned for the health of the entire urban fabric.

9. I'd like to conclude my comments with my reiterated appreciation for this opportunity to speak to you today.

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We humbly request the following of City Council:

1. As new development continues to roll through Portland's neighborhoods, **we hope City Council will consider funding an update to Portland's Community Design Standards.** These outdated standards need to be reviewed in the face of the myriad changes to the built environment that weren't envisioned when they were first written.
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 create an opportunity to consider design review's future role in our city, either through the **expansion of design districts or considering some sort of size or budget threshold that would trigger design review anywhere in the city.**
4. We hope you will **continue to study the parking question, and will push for a more nuanced approach to this issue as part of the Comprehensive Plan.**

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5. 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.** I should note that this includes efforts to shape common areas, such as streets, sidewalks, bridges, parks, and other public facilities. We relish the opportunity to weigh in on those types of projects.

We greatly appreciate the opportunity to play a part in shaping a stronger Portland. Thank you for your time and consideration and I'd be happy to answer any questions you have today.