



Bureau of Planning and Sustainability

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MEMO

DATE: February 25, 2014

TO: Planning and Sustainability Commission

FROM: Deborah Stein, Principal Planner

CC: Susan Anderson, Director; Joe Zehnder, Chief Planner; Eric Engstrom, Principal Planner

SUBJECT: Residential Densities

Introduction

This report on Residential Densities is intended to inform the Planning and Sustainability Commission work session on March 10, 2015. This report covers Comprehensive Plan map proposals and related testimony that focus on this question:

What is the appropriate residential designation, given the physical context of the sites and surrounding area, service and infrastructure availability and constraints, proximity to centers and corridors, historic character, and other factors?

Areas proposed for changes to residential densities are grouped into categories so that similar situations — in some cases located in different parts of the city — can be considered together, and decisions can be consistent and well supported by data. This report summarizes factors and data that staff considered to develop the July 2014 proposal, and outlines a consistent approach and methodology to inform responses to testimony.

Context

Portland is expected to add about 123,000 new dwellings between 2010 and 2035. The proposed Comprehensive Plan Map was based on a 30-50-20 residential growth strategy; that is, 30 percent of the anticipated household growth allocated to the Central City, 50 percent to other Centers and Corridors, and 20 percent to residential neighborhoods outside of the Centers and Corridors. Over 15,000 of those dwellings have already been built during the first 5 years of that forecast period (2010-14).



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Of the total forecast growth citywide (2015-35), approximately:

- 1.5 percent is expected to occur in Farm/Forest, R20 and R10 combined.
- 6 percent in R7 and R5.
- 12 percent in R3 and R2.5.
- 20 percent in multi-dwelling zones of R2 and above.

The vacant and underutilized land within these residentially designated areas have a combined development capacity that is double the expected growth, after considering constraints. This means that it is possible to be more selective about where development occurs in residential zones. That said, there are some designations where the supply of vacant and underutilized land is tight relative to expected demand. This is particularly true in the R5 designation, where the amount of vacant and underutilized land is only slightly above expected needs.

The allowed mix of housing in the residential zones has also been examined relative to expected incomes. In general, the diversity of the housing type production should be sufficient to produce enough housing units to meet the future demand across a variety of income levels, *except for the low income groups*, which will have fewer choices from new development.

A similar dynamic exists at the single-family level, where (based on expected incomes) the demand for compact small-lot or high-density single family homes is expected to exceed supply. These more affordable single-dwelling configurations are allowed primarily in the R2, R2.5 and R5 zones. Some households seeking affordable home ownership opportunities will have to consider multifamily housing types (condos) or look to suburban locations because Portland's single-family supply is limited and skewed toward larger more expensive lots.

Report organization

This report addresses six groups of "down-designations" (i.e., proposals to reduce the potential residential density) shown on the Proposed Comprehensive Plan map. These proposals intend to address:

- A. Natural hazards, drainage concerns and infrastructure constraints.
- B. Lack of connectivity, school district capacity and/or other public services.
- C. Distance from centers and corridors and prevalent lot pattern.
- D. Historic character in a Conservation District.
- E. Potential for additional residences fronting on a truck route.
- F. Appropriate density given that an anticipated light rail transit station likely won't be built within the next 20 years.

Because the desired outcomes, methodology for mapping the proposal, implications and issues, and testimony in support or opposition to each map change are specific to the category of the proposed changes, this report is divided into sections corresponding to these six groups. Tables included at the



end of the report itemize testimony associated with each group of proposals and summarize staff recommendations and rationale for each.

A general note about methodology

Staff's methodology for mapping each proposal is described in each section of this report. As a general rule, staff has taken steps to determine whether proposed down-designations and subsequent down-zoning would inadvertently create lots that are no longer buildable due to size or other zoning restrictions. As part of this evaluation, staff considered and identified:

- Vacant tax lots that are currently unbuildable or would not meet minimum size or width standards under proposed land use and zoning designations.
- Properties that would remain buildable because they consist of a series of contiguous lots in the same ownership, or they were created through a land division that would allow the lot to retain its buildable rights.
- Properties that are open space tracts or are landlocked as well as properties that were likely never legal lots to begin with.

In summary, it appears that the potential for the proposed down-designation of vacant lots to create newly unbuildable lots is minimal (likely fewer than 10 lots). In specific situations, the down-zoning would affect applicable development standards. This mostly applies to the few R2 lots being rezoned to R5, where development standards for narrow houses are stricter in R5 than R2.

Staff also scanned for concurrence between proposed down-designation areas and areas with historic platted lots. Initial analysis indicates that this coincidence is also minimal; however, this situation should be monitored. If, in the future, a property owner discovers that the updated land use and zoning designations rendered their lot unbuildable, they could file a Measure 49 claim and the City could either return the existing land use and zoning designations or compensate the owner for loss in property value. The City could also choose to waive the claim fee in such cases.

Staff also examined the impact of down-designations on the city's overall capacity to accommodate expected growth. There are two different ways to look at this:

1. Examine the hypothetical number of dwellings allowed in an area, assuming all existing development was removed and replaced with development built to the maximum allowed density. This is hypothetically allowed, but is not likely to happen because we live in a market economy where property owners make individual choices about their property. Historically, we find that only 4 to 17 percent of properties are subject to development or redevelopment over a 10-year period.
2. Examine the amount of vacant and underutilized land within a particular area, using the City's Buildable Lands Inventory. This is the land most likely to develop or redevelop. A higher percentage of this land can be expected to develop or redevelop during the planning period.

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This method may still over estimate development potential by a factor of two because overall the City has more vacant and underutilized land than is needed to accommodate forecasted growth. To account for this, the City also uses an allocation model to determine how much of that vacant and underutilized land will develop or redevelop in a given area. This model is calibrated to the overall growth forecast of 123,000 new dwellings citywide.

A brief discussion of the impact of each proposal's impact on housing capacity and allocation is included in the respective section of this report.

Note: Because the window for submitting testimony is open through March 13, 2015, the PSC may continue to receive testimony related to residential densities after the date of this work session. Staff will return to the PSC with recommendations to respond to any new testimony following the close of the public record and will apply the direction you provide at the March 10 work session to respond to new requests, as appropriate.



A. Proposed down-designations to address natural hazards, drainage concerns and infrastructure constraints

Proposal summary

The Draft Comprehensive Plan proposes to reduce potential future residential development in areas that are characterized by natural hazard risks (e.g., landslide, wildfire, earthquake, flooding), and drainage challenges due to steep slopes, poorly draining soils, wetlands, seeps, springs, and /or vulnerable stream channels. Most of these areas also have existing infrastructure constraints, including limited stormwater, water supply, or sanitary system capacity, and lack of street and/or sidewalk connectivity.

The amount of additional development allowed under the current Comprehensive Plan designation and zoning would increase impervious areas and remove trees on steep slopes, increasing existing hazard risks, drainage problems, and demand on limited infrastructure capacity. *Reducing future development will not solve existing problems in these areas, however, it will help protect public health and safety by reducing future risks and impacts associated with new development.*

Background

Many of Portland's beautiful hilly areas, like those in Southwest and Northwest Portland, and near Powell Butte, have very steep slopes and ravines, and rain water can't soak into the soil easily. These areas typically have limited stormwater pipe systems, so runoff is directed into local streams causing erosion. These areas are also heavily forested and the trees help to reduce stormwater runoff and hold the hillsides in place. Landslide, wildfire, and earthquake-related risks are higher in these areas than many other parts of the city. Heavy rainstorms can create unsafe conditions, and damage homes, businesses, roads, and streams. Steep, narrow, windy roads pose challenges for emergency vehicle access or for residents to evacuate in case of wildfire or other disaster. And in some areas the water pipes are too small to meet fire flow requirements.

Community stakeholders, including the Environment and Watershed Health Policy Expert Group (PEG), asked staff to look at how much future growth could occur in these types of areas, and whether it would be appropriate to reduce the amount of future growth allowed under the current Comprehensive Plan. *They expressed concern about the potential costs and impacts of new development, including increased safety risks for current and future residents.*

Staff has identified specific areas that are highly constrained *and* where Portland's current Comprehensive Plan would allow the number of homes to double, triple or even increase five-, ten- or 20-fold. This additional growth would mean more demand on limited infrastructure, and improving infrastructure in these areas can be challenging and costly. Stormwater runoff from new buildings and paved areas can impact neighboring properties and contribute to downstream flooding. And removing



trees on steep slopes to make way for more development would increase the risk of landslides and erosion, and negatively affect water quality and wildlife habitat.

The proposal is based on multiple risks and constraints, rather than a single issue. The proposal would still allow new development, but property owners could not create as many new lots as they can today.

Location of affected areas

- Southwest hills: Near Tryon Creek State Park or Marshall Park; along the west and northwest boundaries of the City and Multnomah County; near Council Crest; just north and south of the Sunset Hwy adjacent to the Hoyt Arboretum; and just South of West Burnside along SW Skyline.
- Adjacent to or near Forest Park in the Linnton Hillside area.
- Eastside: Adjacent to the western boundary of Powell Butte, to the south of Powell Butte along Johnson Creek, and along SE Barbara Welch Rd and SE Deardorff Rd.

Policy support

These proposed down-designations will help implement draft Comprehensive Plan guiding principles, goals, and policies calling for improved resiliency and future development that reduces risks and impacts of natural hazards and climate change. This Comprehensive Plan proposal also supports policies promoting future growth and investments in centers and corridors with nearby urban services and fewer natural hazards. It will also support the targeting of City investments to areas with infrastructure service disparities and a greater proportion of historically under-represented communities.

Methodology used to develop this proposal

Staff completed the following steps:

1. Produced GIS maps to identify clusters of contiguous dividable lots, or “polygons,” in areas characterized by stormwater system and drainage constraints as documented in the Buildable Lands Inventory. Stormwater system constraints include a number of factors including steep slopes, impermeable soils, and pipe deficiencies. This initial product was displayed as a map of “Stormwater Management Challenge Areas” in the Comprehensive Plan Part 2 Map App.
2. Used GIS data to identify clusters of dividable lots, or polygons, with poorly draining soils and stormwater system limitations that are also in areas prone to multiple natural hazards, and that have other existing infrastructure constraints. Staff reviewed GIS data for topography, steep slopes, low permeability soils, tree canopy, depth to groundwater, streams, wetlands, floodplains, landslide hazard (regulatory, historic landslides, landslide deposits), wildfire hazard zone, floodplain, relative earthquake and earthquake damage hazards, liquefaction,



environmental overlay zones, infrastructure (water, sewer, stormwater, unimproved rights-of-way, sidewalks) and emergency response times.

3. Used GIS data to evaluate land uses surrounding the polygons and proximity to urban centers and services. Data reviewed includes: existing and proposed Comprehensive Plan designations and zoning, centers (existing and proposed), public transit, schools, and libraries. Staff used this information to select (mostly) polygons that are adjacent to or abut low density residential densities, open space areas, or the city/county boundary. In these areas reducing allowed residential density would likely be compatible with surrounding land uses and support goals for growth in centers and corridors.
4. Used GIS to determine how many new lots could be potentially created under the current Comprehensive Plan and zoning, and the associated percentage increase in homes for each area. Staff then estimated how many new lots could be created under a down-designation/down-zoning scenario. These numbers were then compared to the growth allocated to these areas through the Buildable Lands Inventory, which reflects various physical, regulatory, and market constraints on development. Staff also evaluated the size of land divisions that could be considered under the current zoning.
5. Met with other City bureaus (Environmental Services, Transportation, Water, Development Services, Fire and Rescue, Emergency Management) to discuss preliminary proposals and during preparation of the Proposed Draft. This included evaluation of emergency service response times. Collaboration with the bureaus has continued during the Proposed Draft Public review period. Staff has also met with the City Attorney to discuss City authority, obligations, and liabilities relating to the down-designation proposal. State law grants local jurisdictions the authority to adopt ordinances to reduce risks associated with natural hazards and other risks to public health and safety.
6. Conducted field visits to ground-truth landscape, drainage and access-related information, evaluate land use compatibility issues, and to provide photo documentation.

It is important to emphasize that analysis was conducted and polygon boundaries drawn primarily using an *area-scale* focus, rather than a *property-by-property* focus. Some characteristics (e.g., steep slopes, landslide and wildfire hazard, stormwater or water supply constraints) are shared across most polygons. However each polygon is unique in its location, character, and combination of issues and constraints that provide the basis for this draft proposal. The occurrence and severity of natural hazards and other constraints also vary within the individual polygons. The proposal as applied to each polygon is intended to reduce future natural hazard risks and infrastructure deficiencies and costs resulting from the cumulative impacts of development at an area scale. This analysis does not suggest that individual parcels could not be safely developed; instead, we are focused on potential cumulative impacts within the area in question.



The results of this methodology is the delineation of almost 20 separate areas or polygons for which down-designations are shown on the Proposed Draft Comprehensive Plan land use map and described in detail in the appendix. In total these areas contain approximately 935 properties. Areas range in size and are comprised of roughly 80 to 100 percent dividable lots. Most potential land divisions in the west hills polygons would be small (e.g., one or two new lots), while land divisions on the east side could be larger, reflecting much larger existing vacant parcels.

Impact on housing capacity and allocation

The current Comprehensive Plan and zoning would hypothetically allow approximately 1,700 new lots to be created in these areas. This number reflects existing base zone allowances, as well as stricter minimum lot size requirements in the Linnton area (Northwest Hills Plan District) and additional density restrictions in areas near Powell Butte and along SE Barbara Welch Rd and SE Deardorff Rd (Johnson Creek South Subdistrict). The proposal is projected to reduce the total number of new lots in these areas by 1,158, based on a shift in base zone and continued application of existing area-specific zoning restrictions. It is estimated that the proposed Comprehensive Plan and zoning would still allow up to 542 new lots to be created under the proposal.

Based on the City's Buildable Lands Inventory model, there are 1,898 acres of vacant and underutilized land within these areas, with a constrained development capacity of approximately 1,100 new dwellings. These are the sites more likely to redevelop during this planning period (through 2035). The proposed changes would reduce this capacity to approximately 375 new dwellings, a capacity reduction of 725 dwellings.

Summary of testimony

Between the publication of the Proposed Draft Comprehensive Plan and this staff report, the PSC received testimony regarding the natural hazard-related down designations from about 30 individuals and eight organizations, including City bureaus, the Urban Forestry Commission, a couple of neighborhood associations and the Audubon Society of Portland. Staff met or spoke with several property owners, answering questions about the proposal and listening to their views and concerns. Some of those have submitted testimony, others not. Staff also addressed this proposal in briefings to the Urban Forestry Commission, the Southwest Hills Residential League as well as the Powellhurst Gilbert, Pleasant Valley, and Linnton Neighborhood Associations.

Testimony to the PSC has included a mix of perspectives. Individuals living within and near these proposed down-designation areas have expressed both opposition and support.

Those in opposition have expressed concern about lost development potential, impact on property value and the role of development within urban areas to avoid sprawl. Some feel it is not fair for the City to reduce development potential when people have owned properties for a long time. Some have



suggested the City should provide compensation for lost property value. Some have suggested that their property is less hazard-prone or has different infrastructure service than other properties in a particular area. One person expressed concern that the proposed down-designation would unfairly affect properties within a Local Improvement District (LID), where property owners were assessed a per-lot fee based on potential future development under existing Comprehensive Plan and zoning designations.

Supporters have expressed appreciation for reducing future development that they feel will exacerbate existing natural hazard risks and impacts associated with erosion, steep slopes, landslides, loss of trees and stormwater runoff. Some are concerned about impacts of development on wildlife and loss of habitat. Some supporters suggest that the proposal goes in the right direction but is not sufficient to address existing hazards and constraints. There were several requests for expanded or more stringent down-designations.

City bureaus, the Urban Forestry Commission, neighborhood associations and Audubon testified in support of the proposal. A common theme from these agencies and organizations was support for the down-designations as showing foresight and taking a proactive, preventive and common sense approach to reduce risks and impacts to life safety and property and to reduce costs of future development.

Staff reviewed and evaluated the testimony on this proposal. They conducted additional field visits, focusing on locations that were the subject of concerns raised in public comments. Staff also held additional meetings with BES to discuss sewer infrastructure, and with Portland Fire and Rescue to review emergency response time maps and discuss impacts of development on emergency response.

→ Discussion questions:

1. **Does the PSC support this general approach to down-designating areas to address natural hazards, drainage concerns and infrastructure constraints?**
2. **Under what circumstances does the PSC support amendments to the proposal?**
 - a. **Non-dividable lots along edges:** Staff recommends retaining existing designations on lots that are non-dividable and are located along the edges of a down-designation boundary. In most instances these non-dividable lots will align with adjacent lots with the same Comprehensive Plan and zoning designations. These can be viewed as “housekeeping” amendments, since the proposal would not affect development potential on these lots.
 - b. **Other property-specific revisions:** Staff recommends additional revisions based on consideration of public comments, continued data analysis and consultation with City



bureaus, and observations made during additional field visits. These revisions are intended to:

- i. Respond to public comment as appropriate.
- ii. Apply to properties with similar characteristics or circumstance within a given area.
- iii. Avoid conflicting with the intent of the proposed down-designation for the relevant area. For example, one revision involves retaining the current designation on several properties that are almost completely developed and where future development would be expected to improve stormwater management and tree canopy. A second revision involves shifting the boundary of a proposed down-designation area to omit several properties that are notably flatter than adjacent properties. A third involves omitting properties within an adopted Local Improvement District (LID) where the City has assessed property owners' fees for street improvements based on potential future development allowed under the current Comprehensive Plan and Zoning.



B. Proposed down-designations to address lack of connectivity, school district capacity and/or other public services

Proposal summary

The Draft Comprehensive Plan proposes to reduce allowed residential densities in specific areas where the currently allowed residential density is not supported by street and/or sidewalk connections, developed parks and/or basic services and amenities. In the David Douglas School District (DDSD), these infrastructure and service deficiencies are compounded by overcrowded school facilities that would be further strained by residential densities that are currently allowed. Generally, changes to residential density are proposed outside of centers and corridors, away from frequent service bus lines, and where the existing development pattern is relatively consistent with the proposed lower designation.

Background

In many parts of East Portland, connectivity, infrastructure and services have not kept pace with housing development and population growth. Most East Portlanders do not have convenient access to walkable business districts, healthful food options, frequent and direct transit, and safe active transportation. There are few developed parks. East Portland's "lack of connectivity" refers to large lot and block patterns and development standards that don't provide for good connections for pedestrians, bicyclists and vehicles. When the area was originally developed as a low-density semi-rural neighborhood, prior to annexation to Portland, this was not an issue. However, as apartment buildings have been built on large lots previously developed with single-family homes, the population has increased on each block without a corresponding increase in streets and pathways to provide good intra- and inter-neighborhood access.

Design and quality of multi-dwelling housing built since the 1980s has generally been of a lower quality than housing built elsewhere in the city, in terms of durability of materials, aesthetics and availability of usable open space for tenants. Changing demographics (more students living in poverty, increasing numbers of displaced low-income inner Portland families moving to the area, high numbers of new Portlanders with language and income barriers) strain limited school district resources, especially within the tax base-limited DDSD. This school district, in particular, finds it challenging to provide the variety of services their diverse students deserve.

The draft Growth Scenario Report indicates that under existing Comprehensive Plan densities, East Portland has the hypothetical potential to gain an additional 20,000 to 42,000 households. Over the last decade, very little growth has occurred in East Portland. This is in contrast to the late 1990s and early 2000s, when East Portland experienced rapid growth. If growth trends from the 90s and pre-recession years resume, East Portland could gain additional individuals and families in poverty at a rate higher than other Portland neighborhoods.

Proposed Comprehensive Plan Map changes in East Portland will reduce potential residential density outside of centers and corridors, in areas farther from public services and amenities. When



development occurs at the proposed lower density, larger lots will have to undergo a land division process that includes requirements for street and connectivity improvements. In addition, the City will continue to pursue infrastructure improvements in those areas where they are lacking, including improvements to parks, safe routes to schools, and other pedestrian and bike improvements. The City is also continuing to work with TriMet to improve bus service in East Portland.

Comprehensive Plan down-designations were initially considered within the Powellhurst-Gilbert Neighborhood because this area has the most severe lack of street connectivity, infrastructure and amenities. In response to testimony about the capacity of DDS schools, additional analysis was conducted for the entire school district to consider how residential densities contribute to pressures on school enrollment more broadly.

Staff considered the impact of down-designations on affordable housing in East Portland. Land is still relatively inexpensive east of 82nd Ave, so theoretically down-designations might decrease the supply of affordable land zoned for multi-dwelling development and increase the cost of land that remains available. While this is a concern, analysis indicates that East Portland has a large stock of affordable housing unlike other parts of the city.

In addition, because East Portland has been relatively affordable for so long, there is a concentration of low-income, subsidized housing that is tending to concentrate low-income families in East Portland. This is especially worrisome given the lack of infrastructure, amenities and ability of DDS to accommodate the influx of families and new Portlanders. Housing advocates have also testified to that effect and suggest the City find a way to accommodate affordable housing where amenities and services already exist, especially closer to downtown. East Portlanders testified for a broader application of the Portland Housing Bureau's opportunity mapping program, protesting the focus of the program in East Portland.

Staff also considered creation of nonconforming development and/or nonconforming residential densities as a possible consequence of down-designations. Although the zoning code allows 100 percent redevelopment in the case of accidental destruction, a nonconforming property owner may have challenges obtaining a bank loan for maintenance and repair.

Location of affected areas

- Powellhurst-Gilbert Neighborhood (area bounded by SE 142nd, SE Division St, SE Foster Rd and from 111th to 82nd along the western edge, contained mostly within the DDS boundary)
- David Douglas School District boundary (area bounded by NE Halsey St, I-205 Freeway, 131st to 155th at the eastern edge, and SE Clatsop Rd) (*zone changes considered but not Comprehensive Plan designations; see staff recommendations below*)



Policy support

These proposed down-designations will help implement draft Comprehensive Plan guiding principles, goals and policies calling for provision of housing diversity so that Portlanders have access to high-quality affordable housing in a variety of locations across the city. The proposal is also supported by Urban Form policies that address equitable development and call for reducing the negative impacts of development where vulnerable populations are most affected.

Methodology used to develop this proposal

Staff completed the following steps:

1. Produced maps for Powellhurst-Gilbert that identified lots designated R1, R2 and R3 at sizes less than 2,500, 2,501 to 5,000 sq ft, and larger than 5,000 sq ft. The lots were color coded to identify those with one or two dwelling units, or three-plus dwelling units on each lot.
2. Produced maps of R1 and R2 properties within David Douglas School District boundaries that were identified in the Buildable Lands Inventory (BLI) as “underutilized” or “vacant.”
3. For both the Powellhurst-Gilbert area and the DDSD area, certain properties were excluded from the map because of concerns about displacement or because the property was occupied by an institutional use (most of these uses are zoned residential). This included mobile home parks, schools and places of worship.
4. Used the maps to evaluate existing development, proximity to urban centers, transit corridors and urban services. Data reviewed includes: existing and proposed Comprehensive Plan designations and zoning; centers (existing and proposed); public transit; school catchment areas and capacity forecasts; connectivity and street completion. Consideration was given to avoiding “islands” of different designations (the Swiss cheese effect) versus the creation of some nonconforming development. Staff used all of the above information to select areas that are mainly still in single-family development (down-designation would have no impact if an area is already mostly developed at the R1 or R2 density).
5. Estimated how many new lots could be created under a down-designation/down-zoning scenario. These numbers were then compared to the growth allocated to these areas through the BLI, which reflects various physical and regulatory constraints on development.
6. Provided preliminary information to the DDSD. Collaboration with the school district has continued during the Proposed Draft public review period. Staff also met with the City Attorney to discuss City authority, obligations and liabilities relating to the down-designation proposal.

Impact on housing capacity and allocation

A variety of map changes affect residential growth projections within David Douglas School District, including the multifamily down-designations discussed here. Other changes include employment map



changes in several locations, single family down-designations, the overhaul of the mixed use designations and a number of new open space designations.

Multifamily down-designations within DDSD are shown on the Proposed Draft Comprehensive Plan land use map, generally from R1 or R2, to R2.5 or R5. In total, these areas contain approximately 974 properties.

Based on the City's BLI model, there are 120 acres of vacant and underutilized land within this area, with a constrained development capacity of 1,547 Units. These are the sites more likely to redevelop during this planning period (through 2035). The proposed change would reduce the capacity of these vacant and underutilized sites to 782 units (a reduction of about 50 percent).

Although the potential exists for the volume of development described above, the City's growth forecast allocation model predicts fewer new dwellings within these areas. This occurs because overall the City has more zoned capacity than forecast growth, and because there are many other multifamily parcels that would likely develop first. Market forces in recent years have favored multi-dwelling development in Portland's innermost neighborhoods over development in East Portland. The scenario described above would involve a return to the rapid East Portland growth rates of the 1990s, which is not consistent with trends over the past decade.

The growth allocation model (which is based in part on building permit trends) suggests that these multifamily map changes together will shift approximately 376 new dwellings from the David Douglas District to other areas of the city during the 2015-35 planning period.

Summary of testimony

Testimony to the PSC has included a mix of perspectives from property owners in the Powellhurst-Gilbert Neighborhood, David Douglas School District and a few others who live elsewhere but care about growth in East Portland or the city generally. Twelve individual comments favor the change and several ask that the down-designation proposal go further to encompass more multi-dwelling areas or to reduce density on their property. For example, several property owners request that their properties change to R5 instead of R2.5, and DDSD requests that additional properties north of the Powellhurst-Gilbert Neighborhood be included in the analysis. Supporters also thank the City for paying attention to past requests for density reduction in the Powellhurst-Gilbert area or for providing some growth relief for the school district.

Five comments opposed the proposal: Two expressed general concerns about reducing housing supply in the city, with three from individuals who live in the area. These three individuals cited the loss of future ability to do additional development on their property and potential loss of property value. The Comprehensive Plan proposal is to change the R2 designation to R5 on the three properties.

Staff reviewed and evaluated testimony on the proposal, held additional meetings with the David Douglas School District, and conducted additional housing density analyses.



→ Discussion questions:

1. **Does the PSC support this general approach to down-designate areas to address lack of connectivity, school district capacity and/or other public services?**
2. **Does the PSC support amendments to expand this proposal to further address David Douglas School District capacity challenges?** As discussed in the Feb. 24, 2015, PSC staff report related to DDSD, staff recommends pursuing a three-pronged approach:
 - a. **Change Comprehensive Plan Map designations to decrease the potential for future residential development in the Powellhurst-Gilbert neighborhood** because of its combination of infrastructure and connectivity deficiencies, including but not limited to school capacity. This action signals that during the planning period covered by the Comprehensive Plan (through 2035), residential densities that are allowed under today's Comprehensive Plan are more intense than what the current and planned infrastructure (including school district capacity) can support.
 - b. **Retain current Comprehensive Plan Map designations but change zoning map designations to allow lower density residential development than is allowed today.** Staff recommends applying this approach to portions of David Douglas School District outside of Powellhurst-Gilbert to address the district's current capacity challenges. The retention of the Comprehensive Plan designation signals that once the current pressures are alleviated with new school facilities and/or programmatic changes, the zoning can change through legislative or quasi-judicial Zoning Map changes to match the higher densities allowed by the Comprehensive Plan Map designations. Zoning Map changes would be allowed through service letters, in which the district would affirm that adequate capacity exists to accommodate students generated by the new development. The presumption would be that the higher densities can be supported by school capacity long term, but not in the short term.
 - c. **Retain zoning designations in locations closest to designated centers and frequent transit, where the TSP includes projects to improve sidewalks, transit stops and bikeways.** The proposed TSP includes significant transit investments in East Portland, including adding additional frequent service bus lines. The proposed zoning map should be consistent with this investment. There is a danger that down-zoning will threaten the viability of that improved service if it is not carefully considered.



C. Proposed down-designations to acknowledge distance from centers and corridors and prevalent lot pattern

Proposal summary

The Draft Comprehensive Plan proposes to reduce potential residential density in several developed neighborhoods where the existing platting pattern is predominantly at a slightly lower density than the current Comprehensive Plan designation would allow. Areas included in this proposal are relatively distant from centers and corridors and fall into these groups:

1. **R5→R7:** This group includes areas that are designated R5 in the current Comprehensive Plan, but are zoned R7 and/or predominantly platted with approximately 7,000 sq ft lots. This group includes portions of Eastmoreland, Reed, Portsmouth, Kenton, Brentwood-Darlington, and numerous pockets in East Portland.
2. **R3→R5:** A large portion of Wilkes is designated R3 in the current Comprehensive Plan. Summerplace, a subdivision within Wilkes, is predominantly platted with 5,000 sq ft lots and there is little or no opportunity for redevelopment at R3 densities. Other portions of the neighborhood have a variety of lot sizes and development types, however, and some infill is possible at the currently allowed density.
3. **R2.5→R5:** Large portions of Mt Scott-Arleta and Brentwood-Darlington are designated and zoned R2.5, even areas farther from transit. Here, lots are all dividable under the R2.5 designation because they are twice the size that the designation allow. However, to date most lots are 5,000 sq ft or larger with detached single-family homes. These areas are distant from services and amenities and lack a complete sidewalk network.

Background

The proposal to down-designate based on prevalent lot pattern originated with a 2011 request by the Reed Neighborhood Association for a subdivision known as Reedwood. This mid-century subdivision covers approximately 30 – 40 percent of the neighborhood and is fairly uniformly platted with 7,000 sq ft lots and designated R5. The neighborhood’s proposal is intended to reduce redevelopment pressures that would alter the well-preserved mid-century style and scale of this subdivision (following a 2008 land use case in which a zone change and land division resulted in 3,000 sq ft lots).

Reed’s proposal was followed by a request by the Eastmoreland Neighborhood Association to down-designate the entire Eastmoreland neighborhood, also with the intent of preserving the scale and architectural quality of the neighborhood and reduce the potential for demolitions and lot divisions – particularly for large lots that could be subdivided to below 5,000 sq ft (as allowed in R5).



Following receipt of these requests, staff researched other areas in the city with similar characteristics to ensure that any staff proposal was applied consistently and equitably to comparable situations. During this research, staff identified several areas with characteristics similar to Reed and Eastmoreland, and added these areas to the July 2014 proposal based on the criteria and methodology described below.

During this research, staff also identified areas where the current designation and prevalent lot pattern would allow land divisions but where they were relatively far from services and lacked an improved street and sidewalk network. This combination of characteristics suggests that the current development pattern (single-family homes on 5,000 sq ft lots) is more appropriate long term than that envisioned by the current Comprehensive Plan designation (R2.5) that was applied in the 1990s.

Location of affected areas

This proposal applies to a number of small and large areas across the city, focused mainly in Southeast and East districts. The largest area, and the one that has attracted the most public testimony, is in the Eastmoreland neighborhood, but there are also extensive areas of East Portland that are also affected.

Policy support

This proposal is consistent with the Centers and Corridors growth approach outlined in the Comprehensive Plan. It is also consistent with policies that emphasize the relative stability of residential neighborhoods located away from centers and corridors.

Methodology used to develop this proposal

Staff conducted a citywide analysis using GIS data to identify areas that are zoned R5 and:

- Include a preponderance of lots sized 7,000 to 9,500 sq ft (9,500 sq ft is the minimum lot size required to subdivide into two lots in the R5 zone).
- Are not located within a designated center or corridor (specifically, not within ¼ mile from civic corridors, not within a neighborhood or town center and not within ¼ mile of a light rail station).

Staff also conducted an analysis of areas that are zoned R3 and R2.5 and:

- Include a preponderance of lots sized 5,000 sq ft.
- Are not located within ½ mile of a designated center or corridor.
- Have an incomplete street and sidewalk network.



Staff considered these questions in the analysis of each candidate area:

- **Is there much actual potential for lots to be divided and developed?** In some cases, the difference between the density allowed by the designation/zone (say, R5) and the actual lot sizes (say, 7,000 sq ft) would not yield additional density in reality because a 7,000 sq ft lot cannot be divided to meet R5 density. Staff conducted a GIS analysis of lot sizes within each area to determine which lots are dividable, based on the current Comprehensive Plan designation and the minimum allowable lot size in each zone. Where the potential for dividability is low, a change to a lower designation won't have a noticeable effect on density but instead "trues up" the designation with prevailing lot size. Generally (but not always), there is variation of lot sizes within a subdivision. So some individual lots may continue to be dividable even if the general area is down-designated. No matter what, however, a map change by itself doesn't prevent demolition or redevelopment of existing homes.
- **Are there underlying platted lots that would enable additional lots irrespective of the zoning?** In some areas there are also underlying platted lots that can affect the redevelopment potential of a property. This additional redevelopment potential was considered in the context of what would be allowed under existing and proposed designations.
- **How close is the subdivision to a center, corridor and/or light rail station? Is infrastructure in place to support additional infill units?** Staff did not propose down-designations in residential areas offering convenient safe pedestrian access (approximately 10 minutes to walk or travel via mobility device) of designated centers, because these amenity-rich areas are where infrastructure and services can best support additional households.
- **Is there a concentration of historic landmarks or structures identified in the Historic Resource Inventory?** If yes, a lower allowable density may serve to help preserve historic structures, although zoning does not provide a guarantee that a structure won't be demolished and rebuilt.
- **Was there organized neighbor opposition to down-designating?** An area in the Cully neighborhood identified in the initial screen was removed from the proposal after conversations with the neighborhood associations.

Impact on housing capacity and allocation

The current (1980) Comprehensive Plan and zoning would hypothetically allow up to 1,257 new dwellings to be created in these areas. The proposal would reduce the number of potential new dwellings by approximately 405. Based on the City's Buildable Lands Inventory model, there are 700 acres of vacant and underutilized land within these areas.

Although the potential exists for the volume of development described above, the City's growth forecast allocation model predicts a smaller number of new dwellings within these areas. This occurs because overall the city has more zoned capacity than forecast growth, and there are other single-dwelling parcels that could develop first. The growth allocation model suggests that these changes will shift approximately 482 new dwellings from these geographies to other areas of the city.



These changes are summarized below:

| | Vacant/ Under- utilized Land (acres) | Res. Capacity of Existing Plan | Res. Capacity of Proposed Plan | Capacity Change | Growth Allocation Change |
|----------------------------------------------------------|--------------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------|--------------------------------|
| Eastmoreland R5 to R7 | 2 | 5 | 5 | 0 | 14 |
| Reed R5 to R7 | 3 | 23 | 8 | -15 | 2 |
| Mt. Scott-Arleta and Brentwood- Darlington R2.5 to R5 | 11 | 155 | 21 | -134 | -112 |
| Brentwood-Darlington R5 to R7 | 19 | 103 | 25 | -78 | -60 |
| David Douglas R5 to R7 | 278 | 284 | 129 | -155 | -164 |
| South of Lents | 29 | 152 | 55 | -97 | -44 |
| Wilkes R3 and R5 to R7 | 358 | 535 | 162 | -373 | -118 |
| Portsmouth R5 to R7 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 700 | 1257 | 405 | -852 | -482 |

In two locations the forecast growth allocation increased slightly despite the proposed down-designations. This is the result of a projected increase in accessory dwelling unit (ADU) production based on recent building permit records. The forecast for the existing Comprehensive Plan Map was done in 2012 and did not yet account for this trend. Eastmoreland and Portsmouth changes have no projected impact on development capacity because there is very little vacant and underutilized land within these two areas.

Summary of testimony

General: Between the publication of the Proposed Draft Comprehensive Plan and the publication of this staff report, the PSC received a large volume of testimony (over 99 separate comments as of Feb. 10, 2015) on the R5 to R7 proposal, mostly addressing the proposal as applied in the Eastmoreland neighborhood — both in favor of or opposition to (see below). More recent testimony has been received in large quantities, asking for similar map changes to be applied in South Burlingame. Additionally, some individuals (primarily affected property owners) have submitted testimony expressing opposition to proposed changes in other areas included in this proposal.

Eastmoreland: Many Eastmoreland residents submitted testimony supporting the proposal on the assumption that it would slow the rate of neighborhood change. A number of people also testified requesting that the Eastmoreland proposal be expanded east to Cesar E. Chavez Blvd in order to encompass the full neighborhood. Individuals and organizations testified in opposition to the Eastmoreland proposal on the grounds that it reduces maximum allowed density in an area close to services (including relative proximity to a new light rail station at SE Bybee) and the Central City,



contrary to Comprehensive Plan goals of increasing housing supply to increase affordability and of sustainable growth.

South Burlingame: Testimony was also recently received from the South Burlingame Neighborhood Association requesting a new down-designation from R5 to R7 for the majority of their neighborhood. A number of individual South Burlingame residents also submitted testimony in support of this new request. Their reasons relate to lack of sidewalks and complete roads, public safety and quality of life. Testimony also advocates for reduced building coverage, impervious surface and height allowances, increased setback standards and concurrence between zone designations and lot sizes allowed, whether via land divisions or lot confirmations.

Wilkes: Testimony from the Wilkes neighborhood has been sparse, but all comments except one oppose the July 2014 proposal for a map change here. One commenter expressing opposition owns 17 properties. These commenters own properties that would become nonconforming due to the housing structure type (duplex or townhome) or size of their lot. Although most of the R3 area in Wilkes supports an R5 density, the lot sizes and/or housing structures vary and not all fall within the development allowance of R5. The one comment in support comes from the Summerplace subdivision, where the average lot size is 5000 sq ft and most of the subdivision is developed with single-family homes.

Mt Scott-Arleta and Brentwood-Darlington: Testimony from area residents strongly supported the down-designation proposal as it recognizes the traditionally larger lot sizes in the area and, while still allowing for some new development, it lessens the intensity of future development. Other supporting testimony emphasized the area's lack of easy access to local amenities, such as transit and commercial services. Additionally, development is often not required to provide sidewalks and other infrastructure improvements that other closer in neighborhoods must have to accommodate higher density. Individuals testified in opposition to the Mt. Scott-Arleta and Brentwood-Darlington proposal and other inner eastside down-designation proposals because it places limits on the available housing stock and choices, and ultimately may contribute to further decline in housing affordability.

→ **Discussion questions:**

1. **Does the PSC generally support the approach of applying R7 to areas where lot sizes are predominantly 7,000 sq ft as well as R5 areas where lots are predominantly 5,000 sq ft, near but not adjacent to centers and corridors?**
2. **Eastmoreland: Does the PSC support the following refinements to the July 2014 proposal?**
 - a. **Acknowledge current lots sizes:** Staff recommends retaining the current R5 designation where there are a large number of existing lots between 5,000 and 6,400 sq ft to avoid making these areas nonconforming in density: along SE 30th, 31st and 32nd, south of SE Bybee Blvd and north of SE Rex St, from SE 27th Avenue to SE Reed College Place. A portion of this area is within ½ mile of the new SE Bybee LRT station.



- b. **Historic landmarks and inventoried structures:** Staff continues to propose R7 north of SE Bybee Blvd and south of SE Rex St. North of SE Bybee Blvd is where the largest concentration of individually listed Historic Landmarks and structures on the Historic Resources Inventory (HRI) are located.
 - c. **Address underlying platted lots:** Staff recommends that code changes be considered to address the potential for confirming and building on underlying platted lots (a concern of many Eastmoreland neighbors that prompted the down-designation request). Note: BPS's 2015-16 Requested Budget includes a one-time funding request for a Single-dwelling Standards Project and Historic Resources Inventory update, and this project may address this situation.
3. **Wilkes: Does the PSC support the following refinements to the July 2014 proposal?** In order to avoid creating pockets of nonconforming development, staff recommends applying the R5 designation only to the Summerplace subdivision, where the R5 matches the prevalent lot pattern. Elsewhere, staff proposes to amend its July proposal and retain the current R3 designation.
4. **South Burlingame: Does the PSC support a map change in South Burlingame?** Staff does not recommend down-designating this area from R5 to R7 because much of the neighborhood consists of lots in the 5,000 to 6,400 sq ft size range. These lots sizes are consistent with the existing R5 designation. There are clusters of somewhat larger lots in the neighborhood. However, these larger lots tend to be predominantly under 9,500 sq ft (which is the minimum area needed to partition into two parcels in R5). Also, much of the neighborhood is within walking distance of services as well as potential future high capacity transit stations on Barbur, which makes it an appropriate place for R5 density. The neighborhood also cited incomplete or unsafe roadway conditions as part of background for the designation change request. But the areas where there are more of these larger lots (north of SW Hume St) have a fairly complete road and sidewalk network. Staff also understood this testimony to be largely about the incongruences between the scale of new residential development and the neighborhood. As noted above, it is recommended that code changes be considered to address these neighborhood and citywide concerns as well as concerns related to the potential for confirming and building on underlying platted lots.



D. Proposed down-designations to address historic character in a Conservation District

Proposal summary

Proposed map changes carry forward an Eliot Neighborhood Association proposal to change the residential designations in the Eliot Conservation District from R2 to R2.5 in order to alleviate pressure to redevelop properties with existing houses to multi-unit structures. The proposal intends to preserve the remaining historic and cultural character of what was, for over 60 years, the center of Portland's African American community, and focus multi-dwelling development at higher densities along the bordering corridors (Vancouver/Williams and Martin Luther King, Jr. Blvd) in mixed use zones.

Background

The Land Use Committee of the Eliot Neighborhood Association proposed several changes to the existing Comprehensive Plan map within the Eliot Neighborhood boundary. The most prominent change request is to down-designate the largely single-family area (west portion of the residential neighborhood between MLK and Williams and the east portion between MLK and 7th Ave) from R2 (multi-dwelling) to R2.5 (single-dwelling). BPS staff affirmed this proposal, with the limitation that the down-designation be applied only to the portions of the residential area within the Eliot Conservation District, which covers about two-thirds of the residential area.

Eliot's Land Use Committee was motivated to forward this proposal because of development activity over the past few years that has resulted in the demolition of several streetcar-era houses in the neighborhood. Eliot's residential character is largely defined by the high number of 19th century houses — a collection of the oldest houses in the City — that sets it apart from other Portland neighborhoods.

While the change in density between the current designation and the proposed designation is relatively insignificant, the intent of the change is to make it more likely that original structures would be retained. Up to three units are still possible on lots of at least 5,000 sq ft by taking advantage of the 'a' overlay and Albina Plan District allowances. Duplexes and triplexes are well-suited for historic structures in inner ring neighborhoods. Accessory dwelling units would also continue to be allowed.

Demands for single-family housing in inner ring neighborhoods will continue to challenge affordability. However, options for additional density on single-dwelling lots offer opportunities for affordable housing through development of additional units (conversions to duplexes and triplexes) and ADUs, and provides options for current long-term property owners to age in place.



Location of affected area

This proposal only applies to the portion of Eliot Neighborhood that is within the Eliot Conservation District.

Policy support

The intent and spirit of this proposal is to preserve the historic and cultural resources and character of the Eliot neighborhood. Goals and policies regarding historic and cultural resources, preservation, community identity, pattern areas and various related issues such as focused growth and adaptive reuse are found in the Comprehensive Plan update proposed draft, Chapters 3 (Urban Form), 4 (Design and Development), (Goal 4B, policies 4.36 through 4.44) and 5 (Housing). An additional proposed “Inner Ring” policy was included in the recent Centers and Corridors staff report.

Methodology used to develop this proposal

In analyzing this proposal, staff considered the policy concept of the “inner ring” — those neighborhoods closest to the Central City. Staff completed the following steps:

1. Removed the portion of the Eliot neighborhood not within the Conservation District from analysis as this portion does not represent the issue of historic preservation that this request is attempting to address.
2. Inventoried existing residential development in the R2 designation.
3. Analyzed future build-out scenarios based on various redevelopment assumptions, in order to determine approximate effect of the proposal on actual reduction in housing capacity. These scenarios included full utilization of the optional provisions offered by the ‘a’ Alternative Design Density overlay zone and the Albina Plan District.

Impact on housing capacity and allocation

The current (1980) Comprehensive Plan and zoning would *hypothetically* allow up to 459 additional homes in this area, if all lots were redeveloped to the maximum allowed density. The proposal would reduce the number of potential new dwellings to approximately 323 (a reduction of 136 units). This is a hypothetical reduction of 17 percent of the potential full build-out in the existing designation. This hypothetical scenario is *extremely* unlikely, because in a market economy individual property owners make investment decisions, and it is hard to imagine every property owner in a neighborhood choosing to redevelop their property in the same 20-year period.

Based on the City’s Buildable Lands Inventory model, there are almost 14 acres of vacant and underutilized land within this area, with a constrained development capacity of 187 units. These are the sites more likely to redevelop during this planning period (through 2035). A change from R2 to R2.5



would reduce the capacity of vacant and underutilized land in this area by approximately 100 units – to 87 units.

Although the potential exists for the volume of development described above, the City’s growth forecast allocation model predicts a smaller number of new dwellings within this R2/R2.5 area. This occurs because, overall, the city has more zoned capacity than forecast growth, and there are many other similar R2 and R2.5 parcels elsewhere in the city that could also be developed. The growth allocation model suggests that this change will shift fewer than 40 new dwellings from the Eliot Conservation District to other areas of the city.

Summary of testimony

In testimony received through Dec. 31, 2015, there were 28 comments related to this proposal. Of those, 16 testifiers expressed support for the proposal, 7 were opposed, 3 were neutral and 2 noted errors on the map, which have been rectified. Additionally, four property owners requested to “opt out” of the proposal, i.e., keep their current designation. While generally supporting the concept, for various reasons they desire to retain their existing designation.

Those in support of the proposal see the down-designation as a significant way to reduce development pressure and preserve the character of this neighborhood without significantly changing potential density. Of those opposed, the general sentiment is that Eliot’s location adjacent to the Central City, good public infrastructure, and access to high levels of transportation options and other services are reasons why the R2 area should not be changed. Notably, Portland Bureau of Transportation expressed concern about the proposal.

→ Discussion questions:

1. **Does the PSC generally support this approach to address historic character in a conservation district?**
2. **Does the PSC support the following amendments to the July 2014 proposal?** In response to testimony and further evaluation, staff recommends:
 - a. Retaining the current R2 designation on four properties fronting Fremont west of N Williams Ave, due to direct proximity to new Mixed Use development at this emerging Neighborhood Center. This will provide a transition from the taller multi-story development already approved on adjacent properties.
 - b. Retaining the current R2 designation where there are larger multi-unit buildings adjacent to an area not proposed to change from the existing R2 designation.



- c. Retaining the current R2 designation where vacant or underutilized sites abut properties with a Mixed Use designation, in which R2 to Mixed Use is the more appropriate change because there are no historic resources on the properties.

3. What other tools should be considered to strengthen preservation of historic structures?

Staff recommends that a future legislative project consider amending provisions of the ‘a’ overlay to better address “Inner Ring” and historic preservation policy. Currently, a triplex is allowed on a 5,000 sq ft lot if the project is approved through design review (in this case, historic design review). The provisions of the ‘a’ overlay could be changed to allow the additional density options *only* when the existing structure is preserved.



E. Down-designations to reduce the potential for additional residences fronting on a truck route

Proposal summary

In various locations throughout the city, there are residential corridors located along priority truck routes. Daily exposure of residents to noise, vibration and air quality impacts of truck traffic, and the potential for pedestrian-truck conflicts, pose risks to human health and safety. Existing Comprehensive Plan designations and zoning provide capacity for additional residential units to be built beyond what is built today.

A segment of North Lombard St, outside of a mixed use center or corridor, is one such location. Map changes have been proposed here to reduce the number of additional residential units that can be built, where they would be exposed to direct truck traffic, while preserving the residences that exist today.

Background

Although much of Lombard Street is a Civic Corridor, this section of Lombard in the northwestern edge of St Johns was not proposed to be a Civic Corridor because it is surrounded by heavy industrial use to the north, south and west. Proximity to industrial uses and the increase in freight traffic on this stretch of Lombard has elevated concern about health impacts on adjacent residents. The current proposal involves down-designating residential properties from R1 (multi-dwelling residential) to R5 (single-dwelling residential). This proposal would reduce the potential for additional residences fronting a truck route, thus exposing fewer residents to potential health risks (including but not limited to asthma) that may be caused by daily exposure to truck traffic.

Much of North Portland is surrounded by industrial uses. St Johns is even more blessed and burdened in this regard. The proximity of heavy industry provides residents with easy access to living wage jobs. However, this proximity also poses potential health risks for neighbors. Most recently, due to neighborhood pressure, the Portland Bureau of Transportation started restricting freight that had historically used Fessenden St as a short cut through the predominantly residential area. Since this change, trucks have been rerouted from Columbia Blvd south, using the only direct route through the industrial area to Lombard.

St Johns is one of the few working class communities left in Portland. According to recently updated maps (from the 2012 BPS Gentrification Study), this is a high risk vulnerable area with a high percentage of low income renters of color without a college degree.



There are other instances across the city (and in the district) where freight travel may cause undue burden on residents living on busy corridors. However, this is the only case where residents front a freight corridor and also live adjacent to a heavy industrial area.

Ultimately, zoning may not be the most appropriate or effective tool to help mitigate potential health concerns. To address this issue holistically, it should also be addressed through additional policy at both the state and citywide level.

Location of affected area

This proposal applies to a segment of North Lombard St between N Bruce Ave and N Trumbull Ave in St Johns.

Policy support

The intent and spirit of this proposal is to reduce the impact of air pollution on this area along Lombard between N Bruce and N Trumbull avenues. It sits along the Lombard freight corridor and is adjacent to multiple industrial use businesses. Limiting the amount of new housing units in the area reduces the number of people exposed to this impact. Additionally, Chapter 7 (policy 7.14), Environmental and Watershed Health, stresses the importance of preventing the disproportionate impact of pollution to under-served and under-represented communities such as in this area. The intent of policy found in Chapter 4 (policy 4.28), Design and Development, is to address the offsite impacts of development on residential properties by limiting and mitigating those impacts, again particularly stressing protections for under-served and under-represented communities. Chapter 5 (policy 5.40, Housing) addresses the need for healthy housing and the focus on fostering community health. Chapter 3 (policy 3.30) addresses the role of Neighborhood Centers as the place to increase residential density in order to take advantage of the nearby commercial and community services. This area is outside the St Johns Neighborhood Center. Thus increased density should not be focused here.

The Transportation Systems Plan (policy 9.34) supports the need to reduce environmental and neighborhood impacts by encouraging the use of energy efficient and clean delivery vehicles.

Methodology used to develop this proposal

Staff completed the following steps:

1. Reviewed GIS data to ascertain lot sizes, development capacity based on today's zoning and actual built densities.
2. Analyzed two different scenarios (applying R5 and R2.5) to calculate loss of housing potential and determine which properties might be rendered nonconforming, based on what's built compared with allowable density.



Impact on housing capacity and allocation

There are currently 162 existing housing units on this stretch of Lombard. With existing zoning, an additional 148 units could be built if all lots were redeveloped. If this entire segment of Lombard were down-designated to R5 and then built to those standards, only 31 additional units could be built. If this entire segment of Lombard were down-designated to R2.5 and then built to those standards, only 56 additional units could be built. There are 3 acres of vacant and under-utilized land affected by this proposal. The growth allocation model suggests that this change will shift fewer than 100 new dwellings to other areas of the city.

Staff also determined that based on what's built today, applying R2.5 would result in no nonconforming tax lots, compared with the original proposal (R5), which would result in 27 nonconforming tax lots (39 housing units).

Summary of testimony

There have been two comments directly related to the proposal. Both commenters do not wish to see the change and cite the street's proximity to the inner city. One commenter believes R2.5 (single-family housing, with potential for attached duplexes) is more appropriate as it would allow some development potential, while still decreasing the overall potential. Due to the diversity of the housing stock (a mixture of single family homes, duplexes, row houses, apartments and condos) and the variety of lot sizes, R2.5 would be a good compromise. Fine-tuning this proposal further to retain the higher R1 Comprehensive Plan designation may also be appropriate where apartments and condos currently exist.

→ Discussion question:

Does the PSC support down-designating this stretch of Lombard to reduce the potential for additional residences fronting on a truck route? Staff recommends amending the original proposal and instead apply R2.5 here, to reduce the impact on existing development from being rendered nonconforming. This revised proposal still limits the potential for additional development but allows existing residential development to remain without undue burden on maintenance, financing, etc.



F. Down-designations to adjust allowable density because an anticipated light rail transit station likely won't be built within the next 20 years

Proposal summary

In the 1998 Sellwood-Moreland Neighborhood Plan, high-density residential zoning designations were applied to some properties in the north end of the neighborhood in anticipation of a new light rail station at Harold St. For a variety of reasons (including but not limited to budget, ridership assumptions and proximity to other planned stations), the current construction of the Orange Line (Portland-Milwaukie Light Rail Project) does not include a station at Harold St, and there is no timeline set for future consideration of a station here. Proposed residential densities better reflect the scale of the neighborhood, and do not depend on direct access to high-capacity transit.

Background

This area has both a concentration of multi-dwelling units in a mix of styles and some newer housing as well as a larger than usual assortment of small cottages. Some houses in the area date from the neighborhood's earliest plats in the early 1880s.

There is a cluster of offices, mostly nonconforming, at the north end of Milwaukie Ave. Churches and other business make up the area. Commercial sites front along McLoughlin. The Orange Line (Portland-Milwaukie Light Rail Project) had proposed a station just north of McLoughlin at Harold but ultimately was not constructed. TriMet has confirmed that this station's future is uncertain.

In 2013 BPS staff began conversations with the Sellwood-Moreland Improvement League (SMILE) Neighborhood Association about the areas that had been up-zoned in anticipation of the Harold Station to discuss options for map changes, now that the Orange Line does not include a station at Harold Street.

Notification to property owners within the affected area was sent in January 2014. Neighborhood meetings were held on February 5 and March 19, 2014, along with a neighborhood walk on March 3, to provide opportunities for the public to review and discuss options for maps changes under consideration. The March 19 meeting produced 18 individual comments that either supported the proposal or were taken into consideration to inform modifications to the proposal, which were then incorporated into the July 2014 Proposed Draft Comprehensive Plan Map.

Location of affected area

The North Westmoreland area is bordered by Milwaukie Ave on the west, McLoughlin on the east and north and Reedway on the south.



Policy support

This proposal is consistent with the Centers and Corridors and Station Area policies outlined in the Comprehensive Plan, contributing to the stability of residential neighborhoods located away from centers and corridors. The intent is to maintain the character of these areas and accommodate some new development and redevelopment that maintains the vitality of the area.

It is important to note that:

1. Enhancing the neighborhood corridor along SE Milwaukie supports neighborhood business districts with quality multi-family housing supporting transportation connections along SE Milwaukie and SE 17th.
2. Housing preservation of existing modest housing stock supports overall housing affordability in Portland, while allowing some new development and redevelopment to provide to the housing supply.
3. Down-designations to more closely align with existing development still allows for new development on vacant and underutilized sites. This new development would integrate more appropriately with the historic development patterns.
4. North Westmoreland continues to offer some potential for redevelopment of a variety of housing types including single dwelling units, multi-dwelling units, accessory dwelling units and small units that can accommodate a broad range of households.
5. Limiting development along the bluff above Oaks Bottom will prevent development-related degradation of natural systems and reduce the potential for slope instability in a location that has already experienced landslides.

Methodology used to develop this proposal

Staff completed the following steps:

1. Reviewed historical land use patterns and existing conditions. This review of zoning in this area prior to up-designation in the 1998 Sellwood-Moreland Neighborhood Plan reflected a variety of multi-dwelling and single-dwelling zones, with the exception of the High Density Residential (RH) designation that was introduced in anticipation of the planned station at Harold St. In addition, the General Commercial designation on the western portion of SE Milwaukie had also been changed to RH.
2. Reviewed age of structures and recent demolitions. Analysis of the age of structures depicts an area that has been relatively stable, despite the up-designation that took place in 1998. Notably, 80 structures were built within the years 1846-1911. While the majority of structures were split between the construction eras 1912–37 and 1938–63, only 50 structures were built between 1964 and 2014. From analysis pulled in March 2014, six demolitions had taken place between 2005 and 2013.



3. Reviewed areas of 25-percent slope and greater along the bluff overlooking Oaks Bottom. Per the SMILE Board request, analysis of parcels along the bluff was done to locate areas where development could further degrade existing natural systems and be associated with increases in landslides.
4. Conducted an inventory of nonconforming commercial uses to identify opportunities to re-designate as mixed use to address nonconforming uses and encourage new businesses. There are a number of nonconforming office buildings on Milwaukie Avenue, which is the commercial focus of the neighborhood.

Impact on housing capacity and allocation

The current (1980) Comprehensive Plan and zoning would *hypothetically* allow up to several thousand new dwellings in this area, if all lots were redeveloped to the maximum allowed density. This hypothetical scenario is *extremely* unlikely, because in a market economy individual property owners make investment decisions, and it is hard to imagine every property owner in a neighborhood choosing to redevelop their property in the same 20-year period.

Based on the City's Buildable Lands Inventory model, there are 7.8 acres of vacant and underutilized land within this area, with a constrained development capacity of 509 Units. These are the sites more likely to redevelop during this planning period (through 2035). The proposed change would reduce the capacity of these vacant and underutilized sites by 435 units (with a capacity for 74 additional units remaining).

Although the potential exists for the volume of development described above, the City's growth forecast allocation model predicts 328 new dwellings within this area. This occurs because overall the City has more zoned capacity than forecast growth, and because there are many other similar areas in the city that could also be developed. The growth allocation model suggests that this map change will shift approximately 180 of these new dwellings to other areas of the city.

Summary of testimony

At the Jan. 27, 2015, SMILE Board meeting, the board opted to remain neutral on the proposed changes to allow the area residents and businesses to voice their own feedback. In testimony received through Dec. 31, 2015, there were 11 comments related to this proposal in total. A summary of the testimony includes:

- Two testifiers expressed support for the down-designation proposal of RH, R1 and R2.5 to R5 along the bluff above Oaks Bottom, highlighting the prior slides and drainage issues.
- Three testified in opposition to the down-designation proposal of RH to R2.5 along SE 16th Ave north of SE Insley, expressing frustration that their property had been purchased with redevelopment in mind and the close proximity to the Orange Line's Holgate/17th station,



regardless of the lack of a Harold Station. Much of the housing in this area is modest, single-family homes, and staff are concerned that significant redevelopment of this area would lose some of the remaining affordable housing options in the area. Staff considered this feedback and proposes adding the Alternative Design Density Overlay to allow for a triplex option in the proposed R2.5 designation. At the February 18, SMILE Board meeting, this staff recommendation was discussed. One of the individuals that testified, was supportive of the staff recommendation of R2.5 with the addition of the “a” overlay.

- Two comments related to active transportation in the area and support for the down-designation of the RH to R1 designated areas: 1) east of SE Milwaukie and SE 17th; and 2) south of SE Harold along SE 22nd.
- The remaining comments pertained to the Mixed Use areas in North Westmoreland.

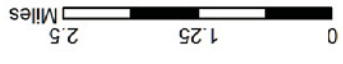
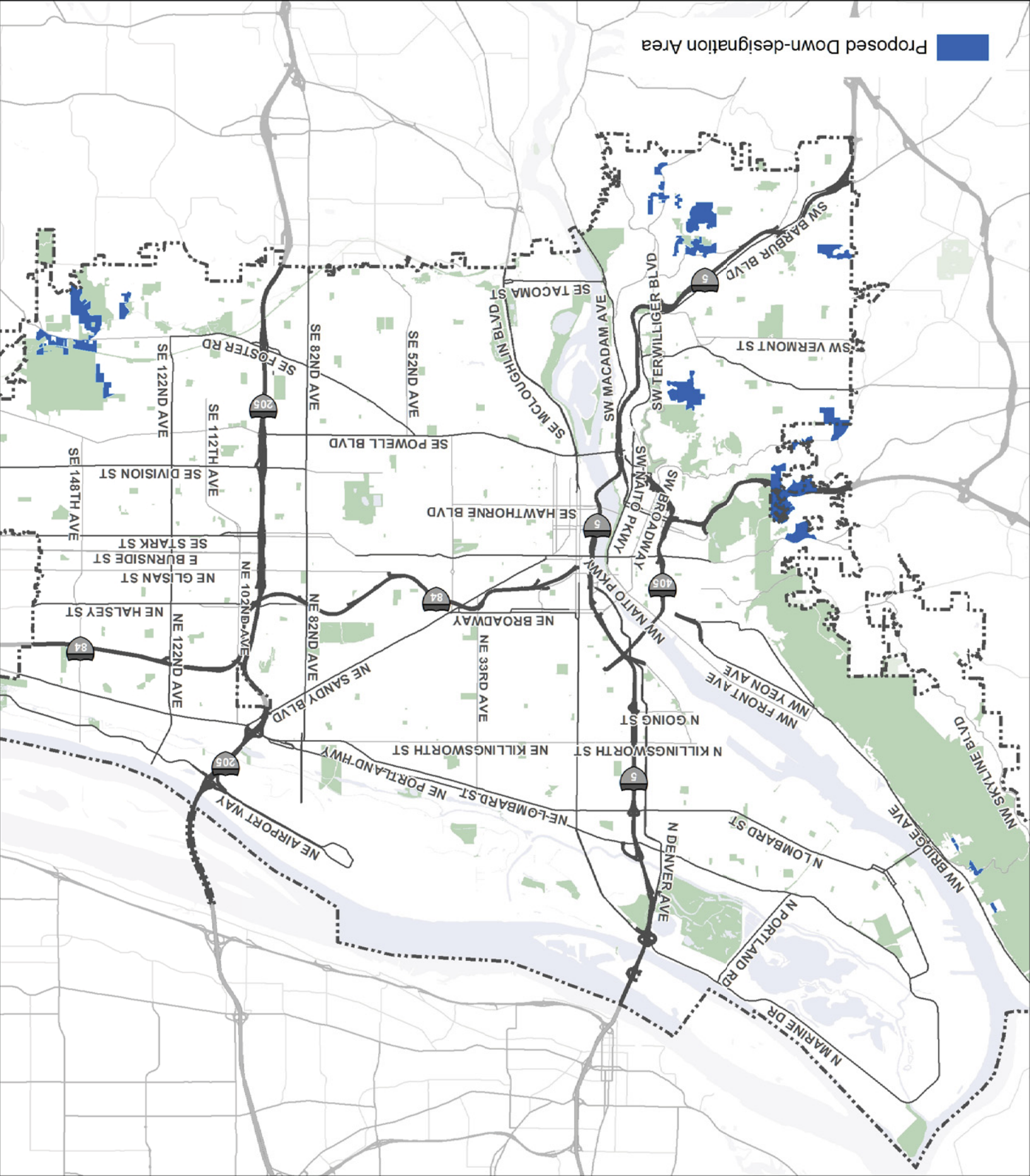
→ **Discussion question:**

Does the PSC support this general approach to down-designate this area because the anticipated light rail station likely won't be built within the next 20 years?



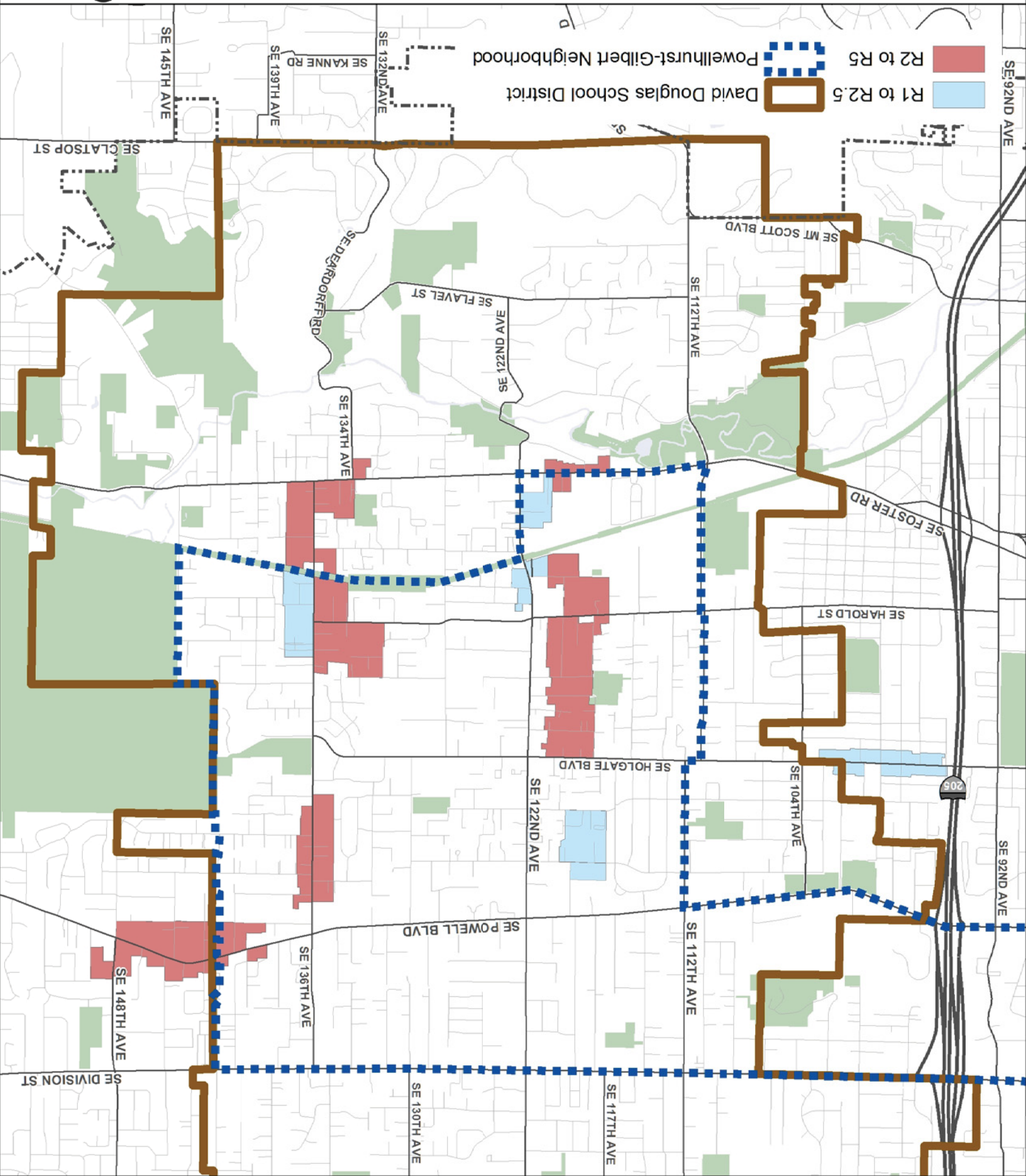
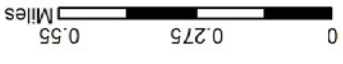
Proposed Natural Hazards- related Down-designations (July 2014 proposal)

Proposed Down-designation Area



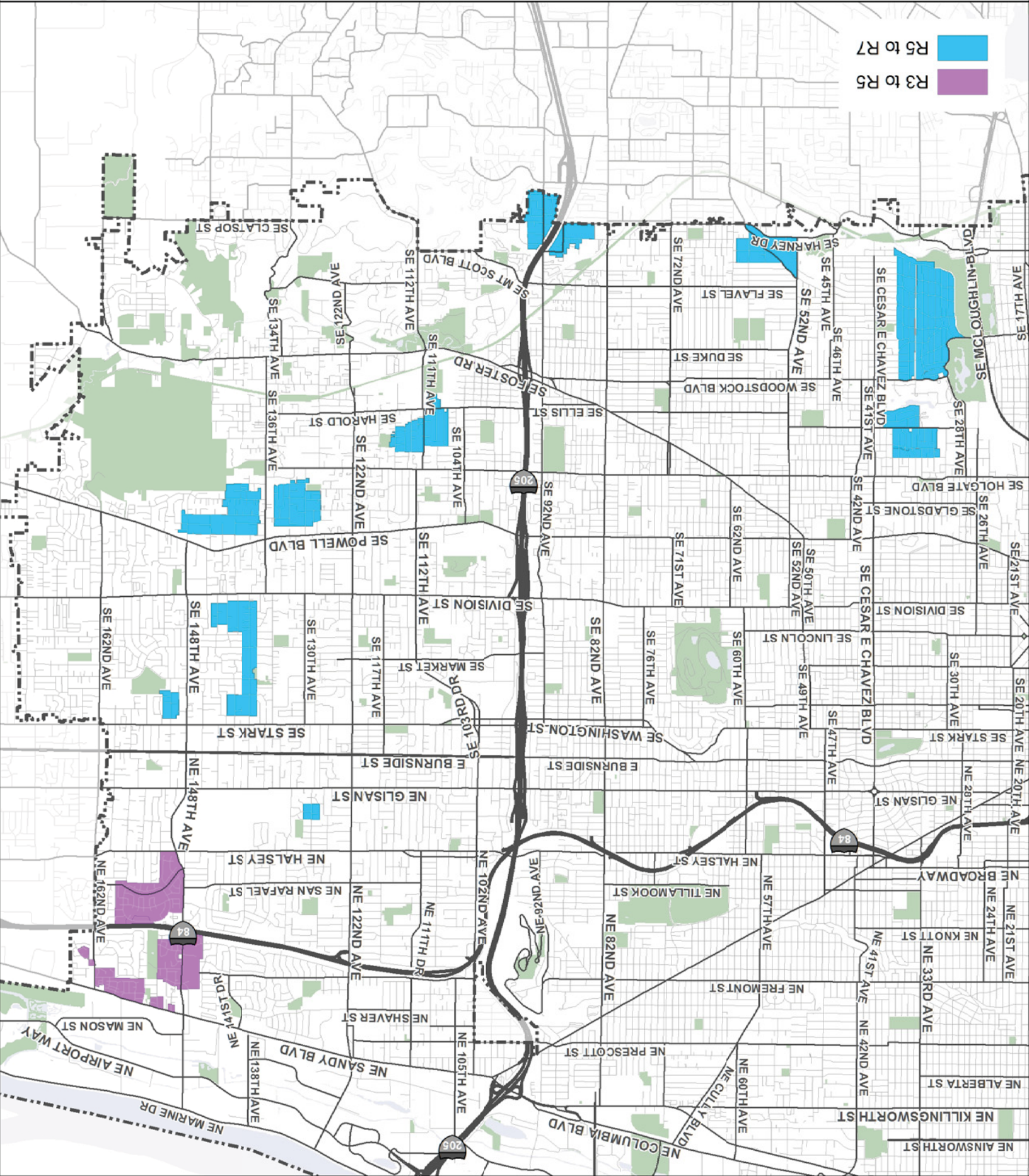
Proposed Infrastructure-related Down-designations

(July 2014 proposal)



Proposed Pattern-related Down-designations (July 2014 proposal)

R5 to R7
R3 to R5



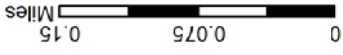
0 0.5 1
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NORTH

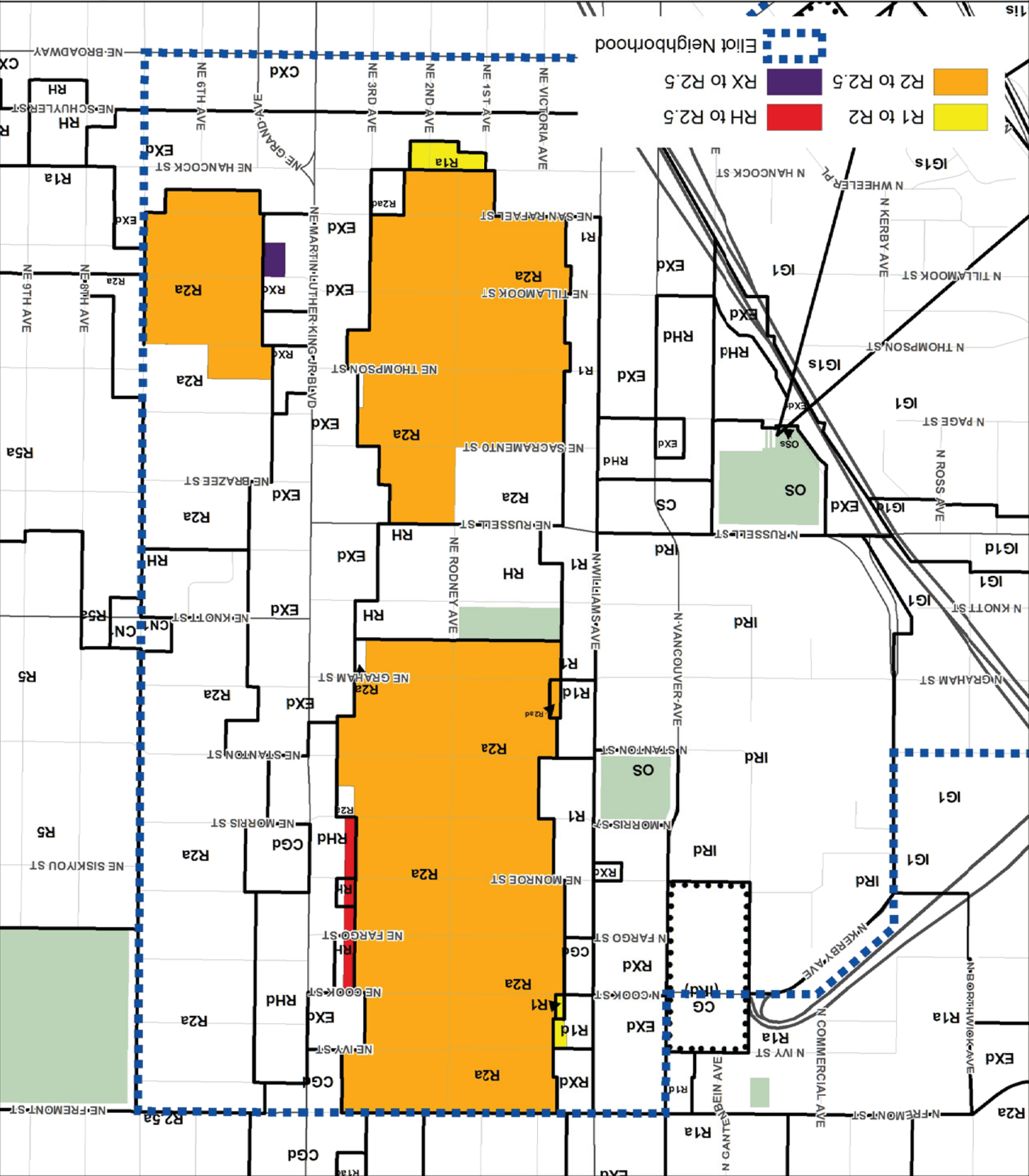
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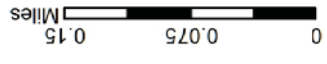
Proposed Conservation-district-related Down-designations (July 2014 Proposal)



Eliot Neighborhood



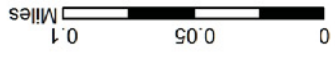
Proposed Truck-route-related Down-designations (July 2014 proposal)



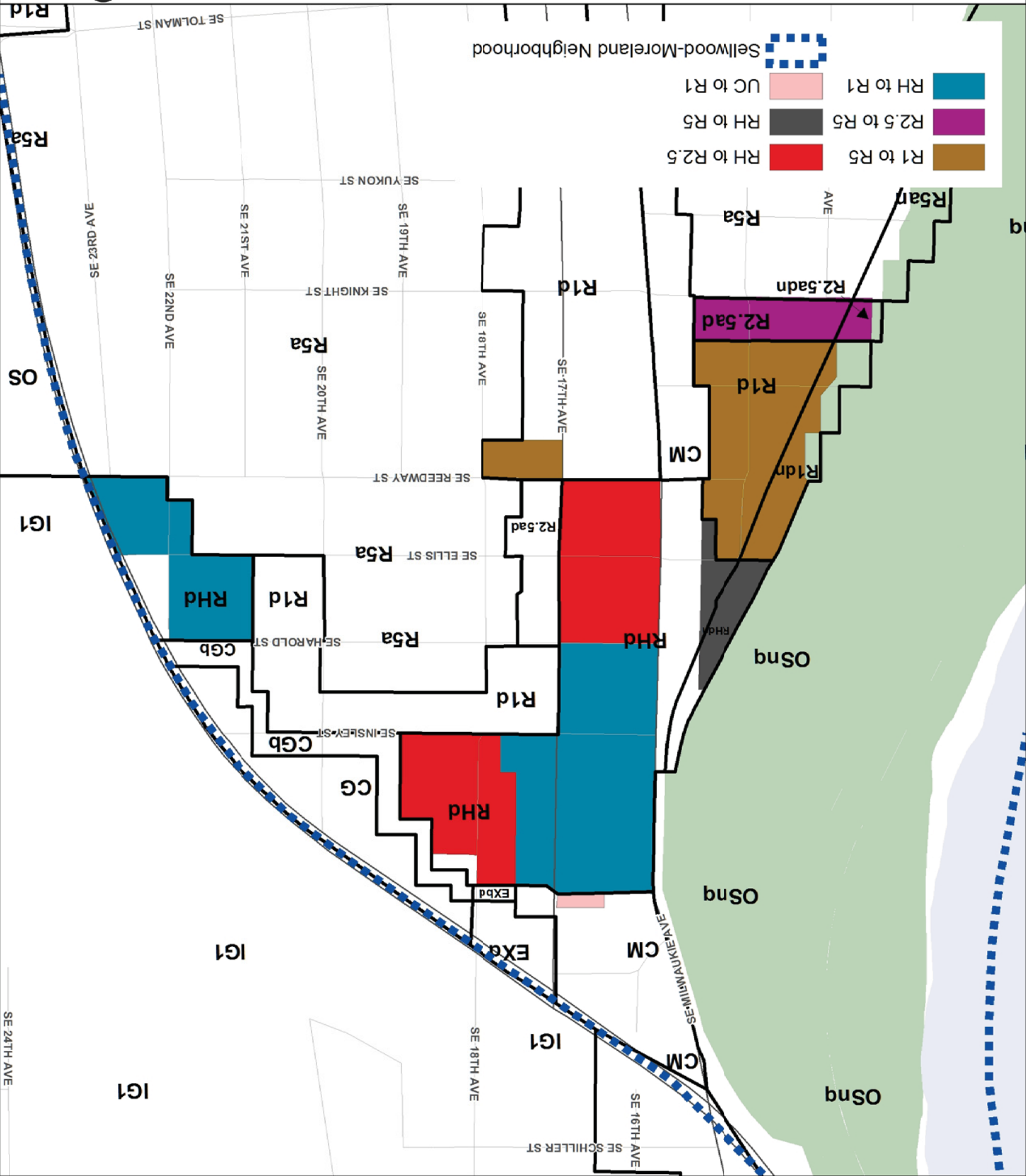
R1 to R5



Proposed Transit-station-related Down-designations



| | |
|--|--------------------------------|
| | Sellwood-Moreland Neighborhood |
| | RH to R2.5 |
| | R2.5 to R5 |
| | RH to R1 |
| | UC to R1 |



Public Comment Summary and Staff Recommendations

| No. | Area | Proposed down-designation | Current # of lots | Testimony | Recommendation |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------|---------------------------|-------------------|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A. Proposed down-designations to address natural hazards, drainage concerns and infrastructure constraints | | | | | |
| A-1 | SW Ashcreek/ Brugger | R10 to R20 | 73 | Several opposed | Remove 3 flat dividable lots on north side of SW Brugger from the proposal (responds to one property owner request). Do not remove lots along SW Brugger that contain steep slopes. Housekeeping: Remove specified non-dividable lots at corner of SW Brugger and SW 62 nd and along SW 62 nd (housekeeping). |
| A-2 | SW Boones Ferry/Stephens on | R10 to R20 | 39 | One opposed, one requests further down designation | Remove 3 lots in contiguous ownership (1 dividable, 2 non-dividable) - partially to respond to property owner request. The 3 lots are largely covered with non-conforming greenhouse manufacturing facility and paved area. Redevelopment would improve conditions (stormwater, landscaping). Compatible w/R10 development across Boones Ferry Rd. Change down-designation from R20 to RF for Tryon Life Community Farm, owned by Oregon Sustainable Agriculture Land Trust. Adjacent to Tryon Creek State Park and near RF just outside the city. RF would support current and planned use of property for urban agriculture, and related Comp Plan draft policies. Responds to commenter request. |
| A-3 | County Pocket/SW Patton | R10 to R20 | 13 | One supporting | No change to Proposed Draft map.* |

| No. | Area | Proposed down-designation | Current # of lots | Testimony | Recommendation |
|------|---------------------------------------------|---------------------------|-------------------|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A-4 | County Pocket / SW Scholls Ferry Rd | R10 to R20 | 65 | Several opposed, several supporting | No change to Proposed Draft map.* |
| A-5 | SW Fairmount | R10 to R20 | 125 | None | No change to Proposed Draft map.* |
| A-6 | SW Humphrey / Sunset Hwy. | R10 to R20 | 74 | None | Housekeeping: Remove specified non-dividable lots adjacent to Humphrey Park Rd. and adjacent to Humphrey Park Circle. |
| A-7 | Marshall Park | R10 to R20 | 149 | Several supporting | Housekeeping: Remove specified non-dividable lots along western boundary and Huber Circle, and north along the central portion of SW Lancaster and Balmer Circle. |
| A-8 | SW Skyline / SW Burnside | R10 to R20 | 52 | Several opposed | No change to Proposed Draft map.* |
| A-9 | Sunset Hwy / SW Fairview | R10 to R20 R7 – R10 | 107 | None | No change to Proposed Draft map.* |
| A-10 | SW Taylors Ferry Rd/SW 18 th Ave | R10 to R20 | 92 | Several opposed | Housekeeping: Remove specified non-dividable lots along SW18 th Ave and abutting SW Collins Ct. (response to one property owner request). |
| A-11 | Linnton North | R5 – R20 | 6 | One opposed | No change to Proposed Draft map.* |
| A-12 | Linnton Central | R10 – R20 | 9 | One opposed, several supporting | No change to Proposed Draft map.* |
| A-13 | Linnton South | R7 – R20 | 11 | One supporting | No change to Proposed Draft map.* |

| No. | Area | Proposed down-designation | Current # of lots | Testimony | Recommendation |
|------|---------------------------------|---------------------------|-------------------|--------------------|--------------------------------------------------------------------------------------------------------|
| A-14 | Powell Butte West | R5 – R20 | 5 | One supporting | No change to Proposed Draft map.* |
| A-15 | Powell Butte Southwest | R5 – R10 | 11 | One supporting | No change to Proposed Draft map.* |
| A-16 | Powell Butte - South | R10 – R20 | 36 | Several supporting | No change to Proposed Draft map.* |
| A-17 | SE Foster / SE Barbara Welch Rd | R10 – R20 | 54 | Several opposing | Remove 4 properties located within SE 152 nd Ave. LID (responds to property owner request). |
| A-18 | SE Deardorff Rd | R10 – R20 | 13 | None | No change to Proposed Draft map.* |

*For areas where the recommendation is “no change to the proposed draft map,” staff has concluded, after evaluating public comments and additional analysis, that the current draft proposal best meets the intent of the down-designations, and goals and policies of the Comprehensive Plan, and that no revisions are warranted.

| No. | Proposal | Location | Testimony | Who testified | Recommendation | Rationale |
|-----------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------------------|-----------------------------------------------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| B. Proposed down-designations to address lack of connectivity, school district capacity and/or other public services | | | | | | |
| B-1 | R3 to R5 | Argay - south end of undeveloped Rossi property on 148th | Support proposal. | Multiple individuals | Retain current proposal. | Distance from centers and corridors, lack of connectivity |
| B-2 | R3 to R5 | Wilkes | Oppose proposal. | Property owners | Retain proposal for properties platted R5. Otherwise, remove proposal and leave as R3 | Avoid creating nonconforming development. |
| B-3 | R2 to R5 | Powellhurst-Gilbert | Oppose proposal due to perceived loss of development potential. | Several property owners | Retain the down-designation as proposed for two of the three dissenting property owners. For the third R2 property (and surrounding 3 properties), revise proposal to apply R3 instead of R5. | Two properties retained in proposal continue to have development potential with the proposed change to R5. Third property and surrounding properties are being changed to match surrounding designation and zoning. |
| B-4 | R1 to R2.5 | SE Holgate E of 205 | Oppose proposal due to proximity to transit. | Individual | Retain current proposal. | Lots are platted at R7 density. Area also lacks of north-south connectivity. |

| No. | Proposal | Location | Testimony | Who testified | Recommendation | Rationale |
|-----|------------|--------------------------------------|------------------------------|-------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| B-5 | None | SE 118th between Division and Powell | Change area from R2.5 to R5. | Several property owners | Apply R5 as requested to portion of neighborhood in which lots have not been divided. | This area has similar characteristics as other areas proposed for reduced density, and is adjacent to areas designated R5 |
| B-6 | R2.5 to R5 | Mt Scott-Arleta/Brentwood-Darlington | Oppose proposal | Several property owners | Retain current proposal. | Acknowledge distance from centers and corridors, prevalent lot pattern, and lack of complete sidewalk network. |

C. Proposed down-designations to acknowledge distance from centers and corridors and prevalent lot pattern

| | | | | | | |
|-----|----------|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| C-1 | R5 to R7 | Eastmoreland | Testimony included support, opposition, and requests for expansion of proposal to Cesar Chavez | Individuals, property owners, Eastmoreland NA, Housing Land Advocates | Retain current proposal north of Bybee and south of Rex. Remove properties between Bybee and Rex from proposal. | Predominant lot pattern in the area removed from the proposal is mostly R5 or smaller. Concentration of HRI properties are north of Bybee. |
| C-2 | R5 to R7 | Reed | Testimony included support and opposition (mostly support) | Property owners, individuals | Retain current proposal. | Original proposal criteria |
| C-3 | R5 to R7 | Portsmouth | Testimony in support | Property owners | Retain current proposal. | Original proposal criteria |
| C-4 | R5 to R7 | 130th/Center; 142nd/Center; 113th and Schiller; 140th N of Division; 151st N of Taylor | Add nearby properties that are currently designated R5 but zoned R7. | Staff | Retain current proposal, and add nearby properties currently R7(R5) | Original proposal criteria |

| No. | Proposal | Location | Testimony | Who testified | Recommendation | Rationale |
|-----------------------------------------------------------------------------------------------|------------|--------------------------------------------------|------------------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| C-5 | R1 to R2 | Montavilla | Oppose proposal | Property owner | Retain current proposal | Area is platted with 5000 sf lots and developed with single-family homes. |
| D. Proposed down-designations to address historic character in a Conservation District | | | | | | |
| D-1 | R2 to R2.5 | 436 NE Fremont | Change vacant lot to MU to match adjacent lots in same ownership | Eliot NA | Apply MU as requested | Offers opportunity for lot consolidation |
| D-2 | R2 to R2.5 | 430-436 NE Ivy | Change RH property to R2 | | Apply MU designation to property. | Vacant lot has no historic preservation concern, MU designation will ensure appropriate transition to adjacent R2 neighborhood. |
| D-3 | RH to R2 | 437 NE Monroe | Retain RH designation on property. | Property owner | Retain RH designation as requested | Consistent with existing boundary between RH and R2. |
| D-4 | R2 to R2.5 | 52 NE Fremont St and Ivy St E of Williams | Retain R2 designation on properties. | Property owner | Remove 7 properties E of Williams from proposal. 4 on north block face (Fremont St), 3 on south block face Ivy St). | Lots are in direct proximity to new Mixed Use development at this emerging Neighborhood Center. This will provide a transition from the taller multistory development already approved on adjacent properties. |
| D-5 | None | Fargo to Morris, E of Williams | Change to MU | Eliot NA | Apply MU as requested for two properties at north end of block | Rectify nonconforming situation on two residential properties in commercial use. |
| D-6 | R2 to R2.5 | Monroe to Morris, between Williams and Vancouver | Change to MU | Eliot NA | Apply MU as requested for two properties on east side of block | Rectify nonconforming commercial situations. |

| No. | Proposal | Location | Testimony | Who testified | Recommendation | Rationale |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------------|--------------------------------------------------------------|-------------------------|--------------------------------------|-------------------------------------------------------------------------------------------------------------|
| D-7 | R2 to R2.5 | 66 NE San Rafael and 69 NE Hancock | Apply R2.5 designation to R2 property. | Eliot NA | Apply R2.5 designation as requested. | Current building is consistent with historic nature of adjacent Conservation District |
| D-8 | R2 to R2.5 | 109 NE San Rafael | Retain R2 designation on property. | Property owner | Retain R2 designation as requested. | Consistent with existing development. |
| D-9 | R2 to R2.5 | 301-307 NE Monroe | Retain R2 designation on property. | Property owner | Retain current proposal of R2.5. | Preserve structures in Conservation District. |
| E. Proposed down-designations to reduce potential for additional residences fronting on a truck route. | | | | | | |
| E-1 | R2 and R1 to R5 | Lombard | Opposed to proposal because of loss of development potential | Several property owners | Revise proposal to R2.5 | Consistent with existing development. |
| F. Proposed down-designations to adjust allowable density because anticipated light rail transit station likely won't be built within the next 20 years | | | | | | |
| F-1 | RH to R2.5 | Westmoreland | Opposed to proposal because of loss of development potential | Property owner | Retain proposal | Original proposal criteria |
| F-2 | RH to R1 | Westmoreland | Supports proposal, requests further down-designation | Property owner | Retain proposal | Adjust allowable density because anticipated light rail station likely won't be built within next 20 years. |

| No. | Proposal | Location | Testimony | Who testified | Recommendation | Rationale |
|-------------------------|----------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| G. Miscellaneous | | | | | | |
| G-1 | None | 109-153 SE 127th | Change designation to R2 for 5 contiguous R1 lots. | Property owner | Apply R2 designation to block face on W side of 127th except apartment building at N end. | Match R2 designation across the street. |
| G-2 | None | 4606 SW Corbett | Apply MU-CC designation to R2 property to match adjacent commercial area. | Property owner | Add to adjacent MU proposal as requested | Property is only residential property in row of commercial; there are no adjacent residential properties. |
| G-3 | None | 8506-8522 N Edison | Apply EX designation to three R1 properties. | Individual | Retain proposal. | Adjacent commercial south should be enough to accommodate growth |
| G-4 | None | 3rd and Hancock lot R102303 | Apply EX designation to R2 property. | Property owner | Retain proposal. | Currently in SFH development process. |
| G-5 | Multiple proposals on city perimeter, assigning designations to non-City properties within the USB | Multiple | Variety of testimony, some requesting different zoning or stating that City should not apply zoning to non-City property. | Multiple property owners | Retain current proposal | Designations were assigned based on existing county zoning, to provide guidance as to the most appropriate city zoning classification at such time as the property is annexed to the city. |