

## Portland Planning and Sustainability Commission

Tuesday, March 22, 2016

5:00 p.m.

### Meeting Minutes

**Commissioners Present:** Andre' Baugh, Mike Houck, Katie Larsell, Gary Oxman, Michelle Rudd, Katherine Schultz, Chris Smith, Eli Spevak, Teresa St Martin (arrived 5:39 p.m.), Maggie Tallmadge

**Commissioners Absent:** Jeff Bachrach

**City Staff Presenting:** Susan Anderson, Eric Engstrom, Barry Manning, Bill Cunningham; Denver Igarta, Courtney Duke, Peter Hurley (PBOT)

*Chair Schultz* called the meeting to order at 5:01 p.m. and gave an overview of the agenda.

### Items of Interest from Commissioners

- *Commissioner Baugh* opened the Planning Magazine and noted the article about Portland on page 21.
- *Commissioner Houck* was in Seattle for 3 days and stayed on Capitol Hill. He was impressed with the number and quality of design of multi-family housing units that match the neighborhoods they have been built in.

### Director's Report

Susan Anderson

- Update on the Comp Plan and City Council. They've had 5 hearings and 1000s of comments from the public. We now have a full list of "final" amendments from the Council members. There will be another round of hearings about the amendments in April and discussions with staff in detail about policy and specific location issues. There are about 200 amendments, about half are more clean-up and the others are more substantive. The PSC has an opportunity to hear and talk about these; at the March 31 PSC officer meeting we'll discuss, so if other PSC members are interested in attending that session, please let Julie know.

### Documents and Presentations for today's meeting

### Testimony for today's meeting

### Consent Agenda

- Consideration of Minutes from the March 8, 2016 PSC meeting.

*Commissioner Baugh* moved to approve the Consent Agenda. *Commissioner Smith* seconded.

The Consent Agenda was approved with an aye vote.

(Y9 – Baugh, Houck, Larsell, Oxman, Rudd, Schultz, Smith, Spevak, Tallmadge)

## Task 5: Mixed Use Zones Project

Briefing: Eric Engstrom, Barry Manning, Bill Cunningham

### Presentation

Eric introduced the project including the Centers and Corridors growth strategies map. We are working to update the zoning that applies to these places. Outside the Central City, about half the city's growth is expected to occur in these areas.

The Urban Design Framework also establishes a common language for different types of places related to their scale: Town Centers; Civic Corridors; Neighborhood Centers; and Corridors.

One note is that inclusionary zoning (IZ) was passed at the state legislature recently. We don't know exactly how this will affect the MUZ project. The City is working on regulatory language that will pass the MUZ project, so by the time we are ready for the PSC's recommendation on this project, we will have some better ideas. MUZ affordable housing bonuses will likely have a part in that framework for inclusionary zoning to fulfill the state requirements.

*Commissioner Smith* asked about where in the Task 5 project program where IZ will come to the PSC.

- It's planned to go to Council in about 6-9 months. We are working on that scheduling issue now.

Barry gave an overview of the project's objectives (slide 5). The goal is to better support housing and commercial development as outlined in the Recommended Comp Plan. He also walked through the public process and input that has brought us to the current Proposed Draft. He also walked through the key updates in the Zoning Code. Changes to development standards will be much more specific than as currently.

There are 4 new proposed zones as shown in slide 11. There are also proposed bonus options for public benefits as shown on slide 21.

*Commissioner Spevak* asked about the time/length of the affordable bonus.

- It's a 60 year commitment on affordable housing; 20 year on affordable commercial. This would be a partnership with PHB and PDC respectively, and we'd create Administrative Rules with these agencies so developers would work with them on instituting.

The bonuses were modeled a couple times, most recently in the past couple of months. The incentive is that the developer would gain FAR. 80 percent MFI on housing and 20 percent on affordable commercial is where we think we are settling, but we'll have a final report from EcoNorthwest that we'll share with the PSC.

*Commissioner Tallmadge* asked about the 25 percent below market rate for commercial. Is this applying to more central locations?

- FAR needs to have value for the developer, so that is currently mostly in central (60<sup>th</sup> and closer in on the east side) areas of the city to take advantage of the bonuses at this time.

In terms of density, we aren't proposing a drastic change. We still aren't regulating the number of units being built, so it is driven by the market. In this new proposal, we do include residential in the FAR, which is different from the current framework. This creates a more predictable outcome for how the building and design will be.

We are currently looking at how we'd look at making a zone change within an existing zone. This will be based on the locational characteristics, as shown in draft on slide 25.

The Centers Main Street Overlay zone will require active/commercial ground-floor uses and some height flexibility on the ground floor. More ground floor windows, requirements from street orientation, minimum FAR and limiting/prohibiting non-pedestrian uses.

Bill provided background about the proposed development design standards. Scale of the street and scale of buildings is important. Even where we are proposing the big CM3 zone, there still needs to be limits to building mass and scale to keep them proportional to the street and ROW width.

Other responses about building scale: we are proposing that larger buildings have facades broken up into smaller components, e.g. off-set from the larger facade. There are also limits to building length, which is more of an issue outside of the Central City where block lengths can be up to 400 feet.

There are new proposed requirements to step-downs to residential zones. Requirements include deeper landscape buffers, balcony limitations and limitations on drive-throughs in areas adjacent to residential zones.

Stakeholders commented on the design of the ground floor. Window coverage is an increase from 25 percent to 40 percent in the proposal and 60 percent in the centers main street overlay.

*Commissioner Tallmadge* asked about windows and the potential for them to decrease energy efficiency in the buildings.

- This would be a consideration, but it is a trade-off that the community requested to making the mixed-use zones work.
- *Chair Schultz* noted there are already energy codes that developers and builders have to meet, so we should be covered on the efficiency issue.
- Public art can substitute for some of the window coverage requirements.

*Commissioner Larsell* asked about the commercial requirement on ground floor.

- This is only required in the centers overlay zones.
- We want to make sure centers have commercial, but we don't see the market to make this requirement for all corridors, for example.
- *Commissioner Larsell*: The difference for mixed-use development in East Portland is very different from other areas of the city.
- We did economic modeling within the past couple of months in both inner and outer neighborhoods, as well as urban design renderings of different lot sizes. The code is structured differently for different areas of the city. Also, we did have members from East Portland on the MUZ committee and met with the EPAP economic development sub-committee as well.

There are a number of "green options" for development in the inner neighborhood CM2 and CM3 zones.

On large civic corridors, we're proposing a minimum 10 foot set-back to give more room for pedestrians. There is interest to include green elements on these corridors as well.

Another new component is a residential outdoor space: the proposal requires 48 square feet per unit of private balconies/patios, common outdoor area, rooftop deck or community indoor space.

There are another number of proposed code changes as outlined on slide 57.

Eric alluded to the TDM changes and proposals to increase TDM for mixed-use buildings in tandem with the TSP proposal. He also mentioned that PBOT has been working on refining the residential parking permit concept.

Finally, staff outline a few items the PSC may hear from the community about during their hearings on the MUZ project at their May 10 hearing.

*Commissioner Tallmadge* asked about the low-rise commercial storefront areas. It looks like areas with lower height are in SE, so is this equitable regarding which areas are taking on more density?

- We looked for continuous segment of low-rise commercial storefront, so the map shows what came out of the review. The inner SE district has the most growth potential in the plan.

*Commissioner Spevak* commented that it seems like changes make housing more expensive, more unpredictable and take longer to create. I worry that the affordable housing bonus is “window dressing”, so I’m curious about this.

- This proposal is for mixed-use commercial zones only. A big part of the project was to provide better context and design standards, which is what we’ve heard about from the community as being important. We’ve looked at pro-formas and what could be built under these standards to bring us to what we came up with in the proposal.
- There will be trade-offs as with everything. You’ll hear about this with the DOZA project as well. There is a desire to have great mixed-use zones, but the trade-offs are real.

*Commissioner Larsell* commented on incentives. Did you think about incentives for storefronts in east Portland?

- We talked about different bonus options, but we landed on affordable housing and commercial storefront.

*Commissioner Smith:* The Mayor has proposed amendments to add streetcar corridors to the unconstrained list. He’s asked about zoning and if they support these corridors. At the street-level, I keep saying “we have to ask Barry”. It seems like we do in some areas and not in others. My request is for staff to produce a memo about the corridors the Mayor is asking about and what the timing/appropriateness would be.

*Commissioner Baugh* asked about affordable housing at 60 percent MFI versus 80 percent. I am trying to figure out how 80 percent will help solve the affordable housing problem.

- There are a few levers we can pull; the percent is one, the amount of bonus is another and the amount of the building we’re requiring is another. The calibration is to make sure the bonus makes sense to the developer. You could layer the affordability. To get to 60, we had trouble making that financially work unless we got into getting a bigger financial bonus.

*Commissioner Baugh:* Regarding the green requirements, can’t we scale these down to just a few options?

- We started with this code loosely based on the Seattle green factor. This is still an open discussion for us with you.

*Commissioner Houck:* I applaud the design issues you brought up. The acceptability to people in the neighborhoods is great. We obviously still need to address affordable housing issues. In terms of the green options, I like more options than fewer.

*Commissioner Spevak:* I like some ideas re: design, but am concerned these changes collectively send us backwards on affordable housing issues – towards fewer, more expensive, units. Although that design concerns was one motivation for this code update, housing affordability is a bigger priority for me.

*Chair Schultz:* I would like to have the economics behind how you looked at the corridors. I’m concerned about set-backs. I’d also like to know if there has been discussion about how set-backs could play into middle housing and a multiple-block transition to the neighborhoods. It’s expensive to do set-backs mid-block. Additionally, our building codes now show that 7 stories won’t be obtained with wood construction, so we still need to work with the building department on this issue. This plays into some of the bonuses at the top end too because it is much more expensive with steel. I’m also in support of more options on the green front than fewer.

Staff will work on compiling responses to PSC members' questions, and Commissioners are welcome to continue to send questions/input to staff as they read through the report. The Mixed Use Zones project will return to the PSC for a hearing on May 10.

## **Task 5: Transportation System Plan**

Hearing: Denver Igarta, Peter Hurley (PBOT)

Denver reiterated the Hayden Island Bike Path update that staff reviewed at the initial TSP hearing.

Peter commented on the TDM comments. We have been meeting with stakeholders and will continue to do so. *See memo from staff.*

*Commissioner Baugh* asked about the Administrative Rules and who the "City official" is.

- This is often the Bureau Director.

### **Testimony**

1. Chris Schwartzkopf: Resident of the Hayden Island manufactured home community. I'm worried about homes being removed along the two bays. You'll be removing affordable housing, and I don't understand how a bike path is going to help here. Traffic to the island is another issue bicyclists would have to deal with.
2. Alastair Roxburgh: Hayden Island resident. There will be an egregious loss of home to make the TSP come to fruition. The N Hayden Island bike plan is a bad idea, and displacement of homes is potentially a serious problem with it. *See written testimony.*
3. Tim Helzer: You are on the edge of an environmental injustice. If the plan goes forward for the bike path, there will probably be 500 people who will become homeless. 112 units will be removed to accommodate this bike path.

*Commissioner Smith* asked if what's being asked for is a roll back something that City Council adopted in 2009... the designation around the island? Also, I don't necessarily see what the presence or absence of the CRC has to do with the presence of this bike path.

Tim: Yes, all the infrastructure planned was based on a new bridge and I-5 plan. The Hayden Island Plan has never been realistic since it was adopted. Why would you proceed with a bike plan that's part of the plan that's never worked in the first place?

4. Luke Gilmer: Advocate for the lower 45 bike/foot path that's in the 2030 Bike Plan and the 2035 Comp Plan. The path is missing in the plan, and I'd like to see it included as a major bike path. Biking is a big deal in this university area. *See written testimony.*

*Commissioner Smith:* I thought all classifications in the Bike Master Plan were transcribed into the TSP. Maybe this particular path is in the Central City 2035 Plan, not in the TSP? This path would be right on the edge. Staff will check this.

5. Terry Parker: The plan is convoluted, supports non-auto modes and too much spending. *See written testimony.*
6. Rebecca Hamilton: Supports telecommuting as a mode to be discussed and promoted in the TSP. It has a significant effect on all other transportation modes. It has been the most successful way in keeping commuters off the road. It also provides recognition for people who are physically unable to bike or walk, and for people who live in areas that aren't well-served by other transportation options. Suggest education and outreach to large employers about

offering telecommuting. The biggest barrier to working from home is cultural. We could encourage 1 day/week for government employees, and I'd particularly suggest a City-promoted work from home Friday since that is the busiest traffic day. A citywide fiber-optic cable system would be key to making this a true possibility.

*Commissioner Spevak* noted the type A to type B home occupancy permit for home working occupancy is minimal. This is a good idea.

*Commissioner Smith* noted if you're an employee of a company that lets you work from home, you don't even need to have a permit.

7. Michael Robinson, Providence: Providence has three main issues with the TSP regarding TDM. We have concern about use of Admin Rules to guide the TDM. If rules are amended, we want to be sure people have notice about the changes like they do in land use changes. We want to be sure the TDM doesn't turn into a more inefficient process and more contested cases. Finally, we want to be able to use proven and effective TDMs as Providence has now. *See written testimony.*
8. Dave Bodine, Providence: Manages parking and TDM issues for Providence. We have done some great work including a new comprehensive management plan. We are currently offering free TriMet passes. We have a bike/pedestrian coordinator. Telecommuting options. Car-share. Different work shifts. Transit center shuttle from Providence Park to the hospital. EV charging stations. Cycling facilities. In neighborhoods, we are working with Neighborhood Associations through transportation work groups. *See written testimony.*
9. Matt Meskill, Providence: Cycling coordinator for Providence. Our facilities have lots of bike parking and continues to expand. Cycling newsletter to staff. Transportation-themed internal website. Bike-buddy system. Leads rides with leaders and executives to do a bike train periodically. *See written testimony.*

*Commissioner Baugh* commented on the Providence TDM plan being good through 2023 and that we don't know what the future is after that timeline. One thing I don't understand is how you support the Climate Action Plan goals about carbon reduction but not the improvements to the TDM to reduce driving.

Michael: You're correct about the TDM timing and situation. The system that's before you now will have many land use appeals, so we are concerned after our current plan expired. We shouldn't throw out an existing TDM that has been effective in getting people out of their cars. It's not a dispute about the CAP. The regulatory mix is going to make us go through a discretionary land use process, even for just little changes. Our concern is about how we do what we agree should be done. Think about developing Title 17 and Title 33 rules that encourage TDMs that work and support goals that we're all aiming for.

10. Michael Durrow: Director on MESD (Multnomah Educational Service District) and currently a candidate for Position #4 on City Council. Advocate for more shared housing models. Against use of City funds to subsidize 80 percent MFI; it needs to be at least 60 percent MFI for City funding.

*Chair Schultz* closed the hearing at 7:11 p.m.

## Discussion

*Commissioner Smith* asked about keeping the record open for written testimony.

Denver: Staff is looking to April 12 for the work session with the PSC. We want to provide staff input and compile any PSC members' amendments. Our suggested timeline is to have all PSC members' amendments by the officer meeting on March 31 to give us time to work through these and provide response.

*Chair Schultz* confirmed written testimony will be open until this Friday, March 25.

*Commissioners Baugh*: Regarding the Admin Rules for TDM, is the proposal to have participation from stakeholders, or is this plan already underway internally? Please clearly articulate this rule-making process in your response.

*Commissioner Rudd* asked to include how the Admin Rule process gets revisited in the future. I'm also interested in knowing the rationale for the Admin Rule proposal instead of having these rules in the code.

*Commissioner Baugh*: Is this the first time we've done Admin Rules?

- There are a number of Admin Rules that PBOT uses. The City is also looking at more streamlined way to create and implement Admin Rules. Staff can share other Admin Rules as examples.

*Commissioner Spevak*: What does PPD stand for? What determines "land use decision"?

- PPD is Portland Policy Documents, which is a repository for Admin Rules and other documents that aren't part of land use code.
- A land use decision is related to use and development of land. There are 1000s of pages of case law that clearly defines this. The assumption is that you put land use rules in the ZC. Things that are likely to change often typically go into the Admin Rules. When it's behavior change, not building/developing, that is a good way to think about the differentiation.

*Commissioner Smith*: It would be useful to plan a meeting with staff to talk about amendments to the bicycle map... I'll work with staff on this. Regarding Hayden Island, the Mayor and his work on the project list is proposing an arterial bridge project, so should we adopt a street classification for that bridge? Would that be helpful and would you have a recommendation for the classification?

*Commissioner Smith*: To the testimony about work at home mode share, I'm a fan of including this. Would this shift both the numerator and denominator in how we count? [yes]. I think the challenges to getting there are somewhat technical, but they are largely cultural. The trip avoided is a win, but we don't count this currently, and I want to count it as a win. I'm happy to propose an amendment that gets us to including this in the mode share.

Courtney commented on the telecommuting options and work-from-home and tying other mode split goals. This could be a place to influence other City policies too.

*Commissioner Smith* asked about the 2009 Hayden Island Plan and pathway round the island.

- *Commissioner Baugh* did retrieve the old meeting notes from the Planning Commission about this recommendation. There was broad discussion of a path and the need to be near the water because we were increasing density on the island. We didn't say what that might look like during that process.

*Commissioner Houck* commented it would be inconceivable to remove homes to put in the bike path, so I need more clarity.

- It's a pathway classification in the TSP, and there is no capital project, so there is no initiative for the City to build there. I can't think of a scenario where any displacement of homes would happen. Staff will continue to look at but want to stay consistent with the adopted plan that Council approved.

- The line appears to go through the mobile home park, but it was just to draw an aspirational line on a map.
- Staff will clarify this and what it means in the short- and long-term. We are not proposing to add a line, we just want to be consistent with what's already adopted.

*Commissioner Oxman* is intrigued by Table 11.1. Can you explain this in more detail and where the discussion/controversy around this may be?

- The Regional Transportation Plan (RTP) was updated, and this was added in 2010. As part of being in compliance with the RTP, we have to incorporate this table. At the same time, we do want to develop alternative mobility standards. Volume-to-capacity is the measure.

*Chair Schultz*: I'd like to hear consideration for the notion of looking at TDM options... if the current TDM meets the goals, can you accept the current TDM? Also, there was written testimony regarding NE 7<sup>th</sup> as a proposed bikeway; how this is being considered?

- NE 7<sup>th</sup> and 9<sup>th</sup> are currently classified as bike routes, with 9<sup>th</sup> being a major city bikeway. Some people want to emphasize 7<sup>th</sup> over 9<sup>th</sup>, so we want to look at the traffic conditions and think it through. The discussion could be about which is the correct major city bikeway.

*Chair Schultz* reopened testimony.

11. Brad Perkins: Forget about 7<sup>th</sup> being a corridor; 9<sup>th</sup> makes much more sense. Regarding Sullivan's Gulch, the problem we have now is the conceptual plan that Council adopted in 2012 has gone nowhere. We will finally get "stars on the map" after the Comp Plan is approved, but we don't have the funding devoted to it. All the development opportunities could be used for TIF, and this could be a new URA. We need engineering money to make a freeway for bicycles that is safe.

*Commissioner Smith* is also enthusiastic about this project. Do you need anything in the way of classifications? Or do you have what you need?

If it can be part of the new land use map, we're ok. But it only goes out to Gateway, and we'd like to get out all the way to Multnomah Falls.

*Chair Schultz* closed testimony.

## **Adjourn**

*Chair Schultz* adjourned the meeting at 7:40 p.m.