

Portland Planning and Sustainability Commission

Tuesday, May 10, 2016

12:30 p.m.

Meeting Minutes

Commissioners Present: Jeff Bachrach (arrived 1:25 p.m.), Andre' Baugh, Mike Houck, Katie Larsell, Gary Oxman, Michelle Rudd, Katherine Schultz, Chris Smith, Eli Spevak, Teresa St Martin

Commissioners Absent: Maggie Tallmadge

City Staff Presenting: Joe Zehnder, Michael Armstrong, Bruce Walker, Barry Manning, Bill Cunningham

Chair Schultz called the meeting to order at 12:30 p.m. and gave an overview of the agenda.

Items of Interest from Commissioners

- *Commissioner St Martin* commented on the Residential Infill Project and the advisory committee process. Shortly there will be summary reports available, and there is a large and public outreach effort forthcoming.
- *Commissioner Houck:* On my recent travels, I was in Western Kyoto, which has an amazing focus on shared space. We should be thinking about how we can have and create more shared space. It's pleasant and quiet. Something to think about in terms of our designing.
- *Commissioner Smith:* There are two pilots going on that I'd invite people to check out: Better Naito and Better Broadway.

Director's Report

Joe Zehnder.

- At 3 p.m. tomorrow we have the second Council work session on the Comp Plan. There are 30+ issues to discuss and vote on tomorrow including the topics PSC members had individually commented on.

Documents and Presentations for today's meeting

Testimony for today's meeting

Consent Agenda

- Consideration of Minutes from the April 26, 2016 PSC meeting.

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

The Consent Agenda was approved with an aye vote.

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

Solid Waste Rates

Hearing / Recommendation: Michael Armstrong, Bruce Walker

Presentation

Michael reminded the PSC that this is the first year the PSC will recommend residential SWR rates to Council. We are looking for a recommendation to City Council, which is having their rates hearing next week.

Monthly residential rates are proposed to go down ~. \$20 / month for 35-gallon roll cart. This is the fourth year in a row that rates have either gone down or stayed the same. As of January 2016, engines of all trucks are no older than 12 years.

Proposed rates for each cart size are shown on slides 4-6. This shows the incentive for smaller cart (discount) and disincentive for larger carts. We want to balance the incentive and not create an undue burden for larger households. This year's proposal closes the gap a bit but still includes a financial disincentive.

On the commercial side, the City collects a commercial tonnage fee, but we don't set rates. We are proposing to increase the fee due to the expansion of the public trash can program in FY16-17. Distribution of the public trash can program has mostly been in and around the Central City, and this year we are expanding to about 400+ cans in other business districts, which we will roll out over the next 5 years.

Commissioner Houck noted that Metro relies heavily on the tipping fees for most of its programs, including their Parks and Nature program. Part of the rationale for using funds for Park and Nature is the amount of illegal dumping that occurs in their natural area parks so funds are directed to those clean up needs. I was pleased that we are talking about expanding the garbage can system with tippage fee income. It is a huge issue here. Is this really sufficient to do the job? Have you met with PP&R to discuss the issue of illegal dumping in their parks and natural areas like Oaks Bottom? Could funds be used for those purposes as well?

- We would have to look at that because the fees have to directly relate to solid waste. We have spoken to PP&R in the past, and they have some concerns about costs. There has not yet been a proposed funding.

Commissioner Houck: We might want to look more broadly when we get more funding to look at this option.

Commissioner Oxman: What's the aggregate revenue with increased tonnage fee?

- About \$300,000/year.

Commissioner Baugh: I'm pleased we're increasing trash cans in districts around the city. What about starting on the outside edges of the city and working our way back in as we distribute them? Frequency of pick-up is an issue too (e.g. in NW Portland).

- We are developing criteria for which areas get serviced first.

Testimony

1. Alando Simpson, City of Roses: First African American-owned waste company in Oregon and the first solid waste B-Corp. We have concerns around the franchise system as it has created barriers for minority-owned businesses that have obstacles to overcome. I'm a third-generation small biz owner. This is an area we can address to becoming a sustainable city. Our company has a reputation to be the construction and demo/debris leaders. Commercial haulers don't have guaranteed revenue since we are confined by the City. We have to compete with multi-national companies that have so much more control. We hope to open the system up for other participants.

2. David White, Portland Haulers Association: Residential haulers representative. The Portland rate-making process is robust and thorough. We have an open dialog, and it's a fair system that creates reasonable rates. We support the rate proposal. It's remarkable that rates have remained the same or have gone down in the past 4 years. Efficiencies have grown. We now want to fully cart garbage (currently about 80 percent) by July 2017.

Chair Schultz closed testimony at 1:00 p.m.

Commissioner Oxman is concerned about issues Alando brought up in terms of minority-owned and small business owners.

- Commercial haulers have a low barrier to entry. On the residential side, the franchises have a 10 year contract. At the mid-way point (5 years), we begin to review current franchises. We won't see a change until 2022, but we will be discussing starting next calendar year.

Commissioner Baugh: As part of our recommendation, we can include a note to Council to study how we would open the system to more minority, etc firms.

Motion

Commissioner Baugh moved to adopt fees as proposed in today's staff memo. *Commissioner Houck* seconded.

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

The motion passed.

Task 5: Mixed Use Zone Project

Hearing: Barry Manning, Bill Cunningham

Presentation

Barry gave an overview of the proposal. Better tailor new zones to meet demands and challenges of next 20 years in specific areas. Staff has worked closely with a 20+ member Project Advisory Committee (PAC) on the proposal. PAC members will share their input today too.

Commissioners Smith asked about the low-rise retail criteria used to select CM1 zoning.

- We looked at identifying concentrations of low-rise streetcar-era districts of about a couple blocks. What is rare is the concentrations that are large enough, looking at where the predominant scale was no more than 1-2 stories. We have mapping of the analysis areas. We did hear some testimony from neighborhoods, but we did go out objectively to see where across the city we wanted to be more consistent.

Commissioners Smith asked about the use of phrase "auto-accommodating". In transportation, we talk about something being designed for one mode and accommodating another mode. This seems to be the opposite.

- We are trying to balance transit, pedestrian and autos. This type of place has ample parking on-site. We are using this phrase versus "auto-oriented".

We did make some changes in setbacks for large retail uses. The current threshold is a 100,000 square foot building. Orientation can be set farther back, but we are reducing the threshold to 60,000 to accommodate more retailers.

Commissioner Larsell: Commented on the idea of the bonus for builders if they meet certain requirements. How does this work with inclusionary zoning [inclusionary housing (IH)]? Also, in testimony there was a comment about the bonus system being scammed. How can we know if this is true or not?

- Bonuses and IH: We are still in the process of looking at how IH will play out in the current code and in the new Comp Plan. The bonus structure meets the return for developers to build affordable units and more FAR. So for now, we are not totally sure how this will be implemented, but we think the current proposal is in sync with IH legislation envisions. We will have more information later.
- We did economic testing and modeling on the bonus structure. It looked like the incentive was an incentive when affordability is set at 80 percent MFI. Still waiting for the final modeling from the consultant

Chair Schultz asked about the bonus system. But if IH is implemented, people will be required to build a certain number of units as affordable, so this part of the bonus is really part of the base development.

- We are working through that detail right now. Part of the way IH will work is the requirement to provide units and some level of benefit. This could be part of an optional program. Other ideas for benefits could be SDCs, tax waivers and others (as in State code).

Chair Schultz: If FAR becomes part of the off-sets for mandatory, I would hope we look to other opportunities for bonuses.

The bonus is related to certain amount of additional FAR for the builder and items for public benefit. IH will have the same kind of structure. When the IH program is settled, the MUZ project will be at Council. We will redesign this particular bonus provision to work with IH. For now, we need to make sure the bonus structure with MUZ is sound and works on its own. Whatever gets approved with MUZ and other Task 5 projects still have to be submitted to the state, so they don't become effective until 2018. But IH would come into effect 30 days after Council adopts, so that could potentially be early 2017.

Commissioner Spevak noted it is a question to do lots of downzoning in this proposal, knowing that it's difficult to build back up before we know how IH will be implemented.

Chair Schultz asked about the setbacks proposed along corridors. What about side streets and setbacks on those streets?

- The corridor setback applies only to a small selection of outer corridors. They won't apply to inner corridors. An example of what it would look like is PCC's new SE campus. We are responding to concerns about creating a nice street environment along busy streets, so it doesn't apply to most inner corridors. There is a 10 foot setback if abutting a residential setback will be the standard.

Commissioner Bachrach noted the testimony about downzoning... There are lots of properties that thought they would be CM2 were downzoned to CM1.

- This was intended to be applied strategically. We ran some numbers on impacts on housing capacity. From the CM1 proposal, we would lose about 800 units out of 100,000 ... less than a one percent impact. Comments we had heard at public meetings and Comp Plan testimony. strategic decision.

Commissioner Bachrach: I have a concern that we are artificially lowering FAR to have developers earn back a more reasonable FAR through housing bonuses. But in CM2 to CM1, is that the same issue?

- The CM1 and low-rise storefront is a reduction from CM2 overall. It's a parallel idea, but they are very different zones.

Testimony

Doug Klotz, PAC member: Proud to be a PAC member for 2 years. Staff did a good job and shared good options. I am also concerned about the affordable housing proposal/scheme. Low-rise commercial downzoning came very late in the process (CM2 to CM1). But overall, staff did a great job with the complex issues.

Vicki Skryha, PAC member: Where we ended up was in lots of compromise because the issues are so difficult. I share the concern about affordable housing; preserving Portland's sense of place; and overlays and plan districts. We can make the bonuses more effective and better utilized. *See written testimony.*

Damien Hall, PAC member: Compliments to staff and the process. We participated in surveys, tours and open houses in the community to have conversations. We have a good product overall. But need to think about low-rise storefront potential still.

Tim Brunner, PAC member: This was "an 18-month sprint". Great job by staff. I represented East Portland on the PAC and have concerns about how East Portland is unique. We have large pieces of properties with now CM2 and CM3 zoning proposed. The CE zone seems to be a bit more reasonable. Auto-oriented development is part of the character of parts of East Portland, and lots of businesses are successful. We don't want to lose sight of this, and with good design we can have both. CM3 might not allow that though.

James McGrath, PAC member: Commend staff and their work. Skepticism on a few points: lower entitlement and bonus up... bonuses still left might not work and won't have much up-take. The proposal might not address fit and form, which is something I thought of as key in the project. Reducing to single-story in the centers is antithetical to the Comp Plan. We shouldn't eliminate the possibility of going big. Reliance on design review process is too heavy based on the structure currently.

Commissioner Bachrach asked about affordable housing bonuses and FAR.

- Damien is a bit more optimistic than others. There wasn't a clear light that it would be widely be taken advantage of at 80 percent MFI, so that is a concern.

Commissioner Baugh asked about the bonus system and affordable housing. What are you not in favor of?

- Damien is in favor of affordability, but the question is the economic off-set for the developer.
- James: affordability is important, but I'm not sure this is the right tool to deliver it. There used to be more/different bonuses on the table related to fit and form that would provide more certainty.

1. Damien Hall on behalf of Joe Angel: Opportunities are lost by rotely following the conversation chart for 1225 N Jantzen Drive. At my client's property at 6454 N Greely Ave, characteristics of the site would be better to rezone to CE instead of proposed CM1. At 3830 SE 82nd Ave, we run into the drive-through caveat. I'd propose an amendment to create a safe harbor for existing drive-throughs. *Will submit testimony in writing.*

Commissioner Smith noted this is the first of what we expect to have much testimony about rezoning to preserve drive-throughs.

Commissioner Baugh asked about the trade-off to preserve and increase the ability to have more auto access. Is that correct?

Damien: The optimal way to address this would allow for preservation of current as conforming but will have the regulations of new drive-through limitations. We're trying to thread that needle.

2. Jennafer Furniss: Sellwood-Moreland resident, which is a predominantly family-oriented neighborhood that was built over 100 years ago. We know and embrace density as the future of the city, but we are concerned about the design requirements. We need smart pedestrian design to maintain our area.

3. Jay Eubanks: Woodstock has become thriving and walkable. But we have a big concern: we have no affordable housing nor are we planning for it in our neighborhood. People who work on Woodstock can't afford to live there. This is economic segregation. Under new CM1 guidelines, we would have to redevelop as retail on the first floor and residential above. If the city mandates affordable housing the upper floors, we wouldn't financially be able to upgrade. If zoned CM2, it would allow an additional floor, which would make this economically viable.

Commissioner Smith noted the testimony that Woodstock should be CM1 and not CM2. Are you worried about losing the character of the area?

4. Beverly Bookin, The Bookin Group: The new New Seasons building is being proposed to be downzoned from CM2 to CM1. But the building was just completed in 2015, and under the new CM1 zone, the building will be significantly non-conforming. We understood this was supposed to be a CM2 zone. It's important to note that the Centers Main Street overlay zone will give back somethings except for height. Woodstock corridor is not typical of others in the low-rise study. *See written testimony.*
5. Angie Even, Woodstock NA: Oppose downzoning of the 7 commercial properties in the Woodstock core. We should not be included in the down-zoning proposal. We want our commercial zoning reestablished to CM2. This is taking Woodstock in the opposite direction from the Comp Plan goals. *See written testimony.*
6. Laurie Flynn: Property owner in Woodstock and on NE Fremont and a member of the Woodstock Stakeholders Group. There is nothing historic about our properties. The NE Fremont building was made in 1951. On proposed map, we will be "short" compared to our neighbors. This doesn't fit into a growth plan. *See written testimony.*

Commissioner Smith asked if commercial property owners (versus developers) had representation on the PAC.

Angie: No commercial property owners were included. We shouldn't be grouped with developers.

7. Tim Even, Woodstock: Property owner. Supports the exemption of Woodstock properties from the low-rise downzone proposal. An 80-foot right-of-way should have a greater zoning. We didn't ask for this.
8. Pat Dieringer: Property owner on Woodstock Blvd. Don't downzone; we should be exempt from these proposed changes. *See written testimony.*
9. Jon Denney, Portland Nursery: We often have a hard time fitting in the code as a nursery. Greenhouses are equipment for us, and we'd like to request an exemption for them in normal FAR calculations.
10. Doug Kolberg, Stanich's: CM2 is a better zoning than proposed CM1. *See written testimony.*
11. Jackie Strong, Strong Family: Request CM2 versus proposed CM1. We have lived here for over 60 years and have experienced gentrification in our area of N/NE Portland. We're looking to do an affordable housing project on our property. To be zoned at a lower density is perplexing even though we are so close to Mississippi, Albina Arts and Alberta districts. *See written testimony.*

12. Douglas McCabe: Thank you to the PSC for your time. Between our properties (owned by the Strong families and mine), this could be a jewel of the city. Make the right decision and award us the CM2 zone here.
13. Chuck Martinez, Strong Family: Concerns with the Williams and Alberta property. We have an opportunity to plan to a greater scale since there is collaboration and about an acre of property here. We should have a broader palate of options to develop on this property.

Commissioner Baugh about the property development.

We are definitely looking at including affordable housing if it shows it makes sense; we will also look at what level MFI we could offer. But we can't even do that with the current zoning proposal of CM1.

Commissioner Spevak was wondering if there is another issue for the property that zoning might not solve.

14. Mike Connors, Space Age Fuel: 4 properties are affected by the MUZ proposal. We're concerned that for 3 of the properties they won't be allowed be gas stations or drive-through facilities without opportunity to redevelop. We should consider broadening mixed-use zones to allow these types properties. Modify the drive-through provisions to make sure they apply to gas stations as well. *See written testimony.*
15. Jim Pleska, Pleska Investments: We want to be able to keep our similar zoning to allow our business to continue. *See written testimony.*

Commissioner Smith noted the VMT goals/statements in the Comp Plan. So we'll need fewer than half as many gas stations as we do today. How do we set zoning to preserve your ability to do business today and to have fitting opportunities for future redevelopment?

We need to be able to adapt and remodel to whatever the product may be. We want to have this ability to run our business and change based on the climate. From a zoning perspective, one of the goals is to match zones and not convert existing uses to non-conforming. What we're proposing does fit the surrounding zones. Alternatively the drive-through facility could be broadened. Redevelopment potential for gas stations is more difficult than for other industries.

16. Cynthia Brown: Owns a business at the SE corner of SE 13th and SE Tacoma. Currently zoned CS, and we don't believe it should be downzoned to CM1. We are in the heart of the Sellwood community. We are part of the Tacoma E-W corridor. *See written testimony.*

Commissioner Smith commented on the low-rise commercial issue. Woodstock doesn't want to be a part of this. In Sellwood, I heard lots of people who want to keep the streetcar era form. How do I reconcile this?

The property owners didn't know this process what going on. This affects the future development potential.

17. Aaron Brown: There will always be trade-offs when there is redevelopment. Development will happen, but we should look at where there will be the least amount of impact on the residents. Lots of the places have a Main Street Overlay as well. *See written testimony.*

18. David Schoellhamer, SMiLE: Our commercial corridors are neighborhood scale. We endorse the proposed CM1 along SE 13th and Bybee and Milwaukie. But the northern boundary should be at Malden St instead of Nehalem. We should also look to expand Design Overlay Zone. *See written testimony.*
19. Brent Carpenter: 3905 SE Main St, at the intersection of Cesar Chavez. Our property is the only one not zoned commercial at this corner. Change to Commercial Mixed Use as supported by the Mayor. *See written testimony.*
20. Gerald Lindsay: Property across from the North PCC Campus on Killingsworth. It's currently slated to be CM2 but would be better to be CM3.
21. Libbi Albright: 1427 N Bryant. I'm in favor of proposed zoning (CM3) that allows higher density, particularly for low-income housing. *See written testimony.*
22. Bryan Scott: 2624 SE Division. Agree with change to CM2. *See written testimony.*
23. Terry Parker: We need adequate off-street parking to mitigate impacts of development. *See written testimony.*
24. Ed Wagner: SE 39th and Powell. Request upgrade to CM3 and establish the Transit Overlay Zone at this and other sites to concentrate density at transit stations. *See written testimony.*
25. Michele Reeves: Against CM1, specifically spot zoning on NE Killingsworth around 30th/33rd. Property owners here have all submitted testimony to this effect. We need more dense zoning on our corridors, and we won't get it with the bonuses. R2 and R2.5A is our current surrounding zoning, which is more dense than on the corridor.
26. Doug Klotz, Portland Neighbors for Sustainable Development: We appreciate staff's efforts with changes. I'm concerned about the bonus plan that reduces capacity but doesn't help with affordable housing necessarily. We will see a reduction of housing throughout the city. We should use IH to get affordable housing and could reach as low as 40 percent MFI. The low-rise corridor scheme doesn't help with increasing density in centers and corridors; it should be CM2. We do support limitations on drive-throughs. *See written testimony.*
27. Lori Meuser: Property at 36th and Hawthorne. If we want to increase density on corridors, the burden is disproportionately placed on those of us in core areas. We are now CM1 and have to put the brakes on our redevelopment where we were thinking of going up to 4 stories. Adjacent areas could go up to 5 stories, and I don't see how being towered make this more of a main street. *See written testimony.*
28. Jude Hardesty: 5027 SE 70th Ave, just off of Foster, owned for 13 years. Recently remodeled to a B&B with carriage house. Under CM2, I am not sure about the carriage house, and I want to be able to retain this option. Change CM2 rezoning to CM3 or CE with a "horse clause".
29. Kenneth Eiler: 3556-3568 SE Hawthorne properties. Owned since 1986. Oppose the downzoning to CM1 and the spot-zoning in particular.
30. Tom Sjostrom, BOMA: BOMA represents 100s of commercial building properties and owners. We have concerns about the MUZ project. Overall the timing of the project is poor because we don't know the IH impacts. Substantive changes will be needed and this plan should be postponed. FAR transfers is counter-productive. Encouraging owners to upgrade may not be helped by this proposal. Handling of parking has not been thought through fully.

31. Tom Brown: SE Milwaukie and Bybee block owner. I have been buying Westmoreland property for many, many years. Proposal to CM1 is taking away about one-third of my property value and development rights. Don't downzone my real estate. I am shocked I have to fight this battle, particularly because the new Orange Line is just half mile from this property. *See written testimony.*
32. Mark Strong, Strong Property: See testimony above from the Strong Family representatives. I am the Life Change Church pastor at Williams/Vancouver just off of Fremont. We have an opportunity to meet the need for affordable housing and bringing healing to the community. By making the change from CM1 to CM2, there is opportunity to create something good for the community here.
33. Garrett Stephenson, McDonalds Corp: Don't have 4 of our sites zoned that will make the drive-throughs non-conforming. Zone to CE to allow drive-throughs. Concern is that the business relies on the drive-through for at least 70 percent of our sales. These sites are suitable for CE because the surrounding areas have been developed to be auto-accommodating. *See written testimony.*
34. Allison Reynolds, WREH Lloyd Plaza: This is a 5.2 acre site next to Benson. CX is current zoning, which is appropriate for this property. Under CX base zoning, we can't earn bonus height. We propose to either (1) amend MUZ to allow additional height in CX zones or (2) include Lloyd Plaza in the Central City Plan District. *See written testimony.*
35. Hilary Adam, PHLC & DRC: The two commissioners send their thanks to BPS and PSC members. *See written testimony.*
36. Ruth Adkins, Oregon Opportunity Network: Support the prioritization of affordable housing. We need a full array of tools to assist this. *See written testimony.*
37. Rekah Strong: I've seen big development deals, which seems like an easier process compared to family-sized business wanting to redevelop. Portland should be affording the same access for community businesses to develop and allow them the same access as large developers. Request to move the family property from CM1 to CM2. The shift doesn't have an impact just for my family but it's an opportunity to make a policy decision to have fix some of the decisions from the past.
38. Barbara Berg: I support the Irvington Community Association (ICA) proposed amendment on NE 15th and Brazee. Proposal to CM1 in the MUZ proposal. This is a commercial corner in the midst of residential. We don't want the commercial business, with a full liquor license, to be allowed to be open until 2:30 (OLCC rule); currently they are only allowed to be open until 11 p.m., which is fitting for the area.
39. Helen Richardson: Support ICA proposed amendment. I care about the time limitation of how late the business can be open in the midst of our residential area.
40. Lynne Coward: Multnomah property between 19th and 21st on the south side of the street. Going through Council, the frontage on Multnomah was returned to RH, but the back side still has CM3. The entire site should be developed at RH. *See written testimony.*
41. Bitar Companies: Own mostly low-rise, multi-tenant properties. Our primary concern is restriction on drive-throughs and downzoning, which will have negative impacts for businesses and for those who must use cars. What about service-based drive-throughs? Lack of parking? Build in flexibility for those who need it. Keep general commercial in the mixed-use plan.

42. Alem: Boise Eliot resident. We need more affordable housing and small businesses on Fremont. My property is here, and I want other dreamers to be able to buy and build here. 311 N Ivy, between Gantenbien and Commercial streets.

Chair Schultz continued the hearing until May 17 at the 5 p.m. PSC meeting. The meeting will be held at The Portland Building in Room C on the second floor.

Discussion

Commissioner St Martin commented on the number of comments from Woodstock Neighborhood and the downzoning issue there.

Commissioner Rudd struggles with the non-conforming use issue. When you rezone, you do make some things legal non-conforming because you ultimately want them to go away. But then you potentially give incentive for the property owners not to redevelop and change. Is there a way to do this without creating a “monopolistic” behavior?

Commissioner Spevak: On the drive-through issue, do we have a sense of how much demand we’ll have for them over the next 20 years? Also, there was written testimony about the 7500 square foot provision and limitation of hours of operation... I need more details about. I don’t know the status of the design review update process and what that process looks like.

- Design review assessment is underway. We hope to have things to report on by the end of the calendar year. We want to be able to use design review overlay in more places, but we have to make sure it works, so that’s why we’re beginning this review. We can get you more information.

Commissioner Smith will share his list of questions and issues via email. I do want to know about the economics of the bonus system and seeing if that works. I’d like to be better briefed on that point prior to our work sessions.

Commissioner Bachrach is skeptical about the bonus system how it has been laid out. I don’t think it makes sense at this point. It would be better for us to go up a level instead of artificially dropping our zoning then trying to build it back up with a bonus system. I’d rather see this in combination with IH when that comes through. Zoning is a secondary mechanism to money... dollars into the system need to be used wisely. Also have concerns about TDM and the next steps with that to be incorporated.

- PBOT will be coming back to the PSC in June and August with Title 17 work.

Commissioner Rudd asked about state law on IH. Doesn’t fee in lieu have to be an option?

- Yes.

Commissioner Baugh talked about map alignment with the Comp Plan and this process. Please remind us how that will work. For the bonus system, we need definition around “unit”... is it the size of the unit and its value? Can it be different in different areas of the city? Similarly for the definition of “commercial space”. I’d also like to see the criteria for CM zones and how that’s applied. Regarding policy and bonuses, we are in a position to move down a track, so the bonus system is almost like a place-holder until IH if all goes well. But we want something in place today, and with IH we can review and replace. But as a policy decision, we have to look at what value affordable housing is as a product. Do we take some risks that we can then figure out a solution over the next years while staying relevant as a Commission to Council.

Commissioner Oxman commented on the volume of testimony about the affective downzoning from current CS to proposed CM zones. Is that intended, and if so, what is the rationale? Both at the policy and the detail levels. On drive-throughs, we’re trying to move to a less auto-oriented community, but in the next 20 years, how disruptive are drive-throughs compared to other things? We heard from a number of investors and real estate families. Familial transfer of wealth is critical, so I’d like for us to have further discussion around this.

Commissioner Spevak commented on developers clipping buildings at 30 units based on the parking minimums. We should look into this. We heard testimony about Powell and 39th and Hawthorne and 39th and bus access there.

Chair Schultz wants follow-up regarding design goals of the overall project. I'm still struggling with step-backs. I'm not completely convinced about how we've gone about forming the mass of the building. Is there a tie to the base zone and neighborhoods' discussions about scale?

- This was a fundamental discussion: building mass and scale and what makes sense for the neighborhoods. This will help information and respond to *Commissioner Bachrach's* questions as well.

Adjourn

Chair Schultz adjourned the meeting at 4:57 p.m.

Submitted by Julie Ocken, PSC Coordinator