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Attn: Mixed Use Zones testimony  
Planning and Sustainability Commission  
City of Portland Bureau of Planning and Sustainability  
1900 SW 4th Ave, Suite 7100, Portland, OR 97201

cc: Marty Stockton / Barry Manning

This testimony is response to the March 2016 draft of Portland's Mixed Use Zones Project (MUZ). I am co-chair of the Sunnyside Neighborhood Association Land Use Advisory Committee and a Southeast Uplift at-large board member. This letter represents my own opinion.

**Base Height and Floor to Area Ratio (FAR) Limits: (33.130.205 & 33.130.210.B.1)**

The proposed "Base" Height and FAR limits for zones CM1, CM2, CM3 should instead be designated the "Standard" limit. "Development Bonuses - Incentive to provide public benefits" (Section 33.130.212) should be removed.

In particular, the new CM2 zone does a good job of replacing the CS zone in continuing a 45' height limit while reducing and (reimplementing for residential) FAR to address concerns about boxy, massive infill on corridors. **However, the proposed MUZ Development Bonuses completely reverse the benefits of the new FAR and other MUZ improvements (setbacks, articulation, etc.)**

Overall, the proposed bonus incentives are complicated and appear to deliver little certain public benefit in exchange for **a marked up-zoning with greater massing and height**. The language opens the door to future reinterpretations of the "public benefit" clause and reduces confidence that new development will be of predictable impact. During the course of the MUZ project, the nature and scope of bonuses have varied widely, illustrating the difficulty of trading increased density for "public benefits." **Considerable MUZ testimony to date has raised serious questions regarding the MUZ bonus program from multiple perspectives.**

Most importantly, recently passed Oregon law SB1533 authorizes several new tools to mandate and/or incentivize affordable housing **that would not require bonus heights or density** and these need to be analyzed before bonuses are devised.

As it is, when reviewing the density incentives offered by other cities one finds **Portland's MUZ project is offering bonuses that are 2-3 times the norm.**

Consider Figure 1, an example of density bonuses offered by Evanston, Illinois as part of their recently amended inclusionary zoning program (updated January, 2016). Before 2016 a developer could pay \$40,000 per required unit to opt out. As of 2016 the opt-out fee was increased to \$100,000.

Figure 1:  
Evanston

(D) *Bonuses:* Density, height, and FAR (floor area ratio) requirements provided in Title 6 are hereby amended for covered developments that provide on-site affordable units, the development is entitled to the following bonuses:

Development Bonus	In TOD Area	Outside TOD Area
Density	20% bonus	10% bonus
Height	10% bonus	5% bonus
FAR	10% bonus	5% bonus

While the Evanston program only requires 10% of units to be affordable (20% if any public funding is involved) the required target is defined as 50-60% Median Family Income (MFI), compared to 80% MFI for MUZ. Bonus densities range from 5-20% depending on category.

**Sacramento, California** requires a minimum 25% density bonus as part of their program. However, their income targets are also lower covering a range from 50-80% MFI. Figure 2 exhibits the basic requirement.

Figure 2:  
Sacramento

**Section 17.190.030. Standard Inclusionary Housing Component**

A. Number and Affordability of Inclusionary Units. In Development Projects in New Growth Areas, the Inclusionary Housing Component shall consist of Inclusionary Units developed for, offered to, and leased or sold to Very Low and Low Income Households as follows: ten percent (10%) of the Dwelling Units shall be Affordable to Very Low Income Households and five percent (5%) of the Dwelling Units shall be Affordable to Low Income Households.

By comparison, the public benefit program in Portland's proposed MUZ program is quite generous. The FAR bonuses for CM1 and CM2 range from 60-67%, while the height bonus is 22%, all to create a relatively small number of affordable units at 80% MFI. See Figure 3.

Figure 3:  
Portland MUZ

	CM1	CM2	
Base Height Limit (stories)	35' (3)	45' (4)	
Base FAR	1.5:1	2.5:1	
Maximum Height Limit with Bonus (stories)	35' (3)	55' (5)*	22% bonus
Maximum FAR with Bonus	2.5:1	4:1	60% bonus
	67% bonus		

**Prior to passage of SB1533 a density bonus was for all practical purposes Portland's only tool to voluntarily incentivize affordable units. Passage of SB1533 changes this dynamic and one questions whether the "public benefits" in the bonus program is at all commiserate with the density bonuses within MUZ.**

Bonus incentives would be better developed outside the Comprehensive Process. Each incentive should be carefully calibrated for each benefit and sunset/renewal dates set for re-evaluation.

The best approach at this point would be to restate "Base" Height and FAR as "Standard" and remove "public benefit" bonus incentives from the MUZ project.

**Good idea: Low-rise Storefront Commercial Proposal (33.415 & Zoning Map)**

Streetcar era low-rise storefront commercial urban fabric is an invaluable, irreplaceable asset. These historic stretches represent integral manifestations of our neighborhoods' sense of place and identity. Further, many of these vintage streetscapes have become important economically as visitor attractions regionally, nationally, and even internationally.

However, it is important for City of Portland to implement measures that recognize the contribution – economic and cultural – that property owners of these special low rise buildings make to the local community as a whole. Owners of downzoned low-rise properties should be provided with transferable density benefits, tax abatements, and other support.

**Ground Floor Commercial Space: 33.415.200**

**Increase the minimum in 33.415.200 to require at least 50% of the ground floor area to be in active uses in the Centers Main Street Overlay Area, and require at least 25% of all other CM 1 and CM2 zoned properties to be ground floor active use and require mitigation for lost commercial space due to demolition and new construction within these zones.**

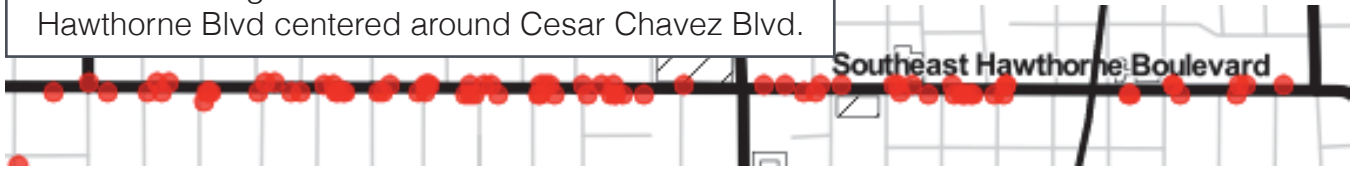
Given that Mixed Use Zoning is largely applied to business districts, it is imperative to develop and increase the capacity of ground floor active uses that have been traditionally accommodated in commercial street front infrastructure. Such uses include businesses and institutions which operate using between 2,500 and 15,000 square feet.

Further new Commercial Space is correctly defined as "Active Space" - meaning they represent an invaluable asset in urban fabric whereas previously these might have been housed in separate (non mixed-use) structures.

In areas slightly outside commercial cores, active ground floor spaces are necessary to host functions like nurseries, pre-schools, personal services (e.g. counseling), etc. These services are vital to healthy neighborhoods.

Recent mixed-used buildings have been stingy in allocating ground floor space to commercial/active uses. Traditional ground floor commercial units often facilitated larger spaces in the 5000-10,000 square foot range. On Hawthorne Blvd think Powells, The Red Light, The Gold Door, or even the relatively new spaces of Dosha and American Apparel – primarily housed in warehouse style storefront spaces. Indeed the newly expanded Powell's on Hawthorne will approach 15,000 Sq. Ft.; something impossible in almost any mixed-used project built recently.

Figure 4: Storefront Clusters  
Hawthorne Blvd centered around Cesar Chavez Blvd.



Representation of the remarkable concentration of small businesses is showcased in Joe Cortright's recent **Storefront Index**; Figure 4. The depicted storefronts represent a working infrastructure supporting 20 minute neighborhoods - **today**. The pressures of new mixed-use construction in terms of reduced commercial space, higher rents, and insufficient parking needs to be addressed so as not to damage this existing storefront success.

At the same time, more attention needs to be focused on the potential loss of professional office space in our corridors (e.g. 21 professionals already displaced at SE Hawthorne/26th and 25 more potentially displaced at SE Hawthorne/45th.)

**Good idea: Step Down Heights (33.130.210.B.2)**

Combined with the restoration of FAR limits, this is a good measure to help reduce the impact of CM zones on adjacent R zones.

**Good idea: New base point related standard for measuring height. (33.930.050)**

This will help prevent buildings vastly exceeding in effect the maximum height due to topology; see Figure 5.

Figure 5: current slope adjustment for height  
Hawthorne 26





## **Conclusion**

Portland is blessed by an amazing array of vibrant, historic close-in neighborhoods. The introduction of new density into Mixed Use Zones needs to be done with a deft touch that recognizes the considerable potential downsides as well as upsides that new investment and development brings.

A more conservative FAR combined with rigorous ground floor active space requirements, plus maintaining sufficient parking capabilities for the corridors while improving all forms of transit, is the key to future livability.

Thank you for your consideration of my testimony.

Jeff Cole