

Portland Planning and Sustainability Commission

Tuesday, June 28, 2016

5:00 p.m.

Meeting Minutes

Commissioners Present: Jeff Bachrach, Andre' Baugh, Mike Houck, Katie Larsell, Gary Oxman, Michelle Rudd, Katherine Schultz, Chris Smith, Eli Spevak, Maggie Tallmadge, Teresa St Martin

Commissioners Absent: none.

City Staff Presenting: Barry Manning, Bill Cunningham, Eric Engstrom, Tyler Bump, Gina Tynan (BDS), Tim Heron (BDS), Matt Tschabold (PHB), Justin Douglas (PDC), Sallie Edmunds, Rachael Hoy, Troy Doss, Mindy Brooks, Debbie Bischoff, Mauricio Leclerc (PBOT), Judith Gray (PBOT)

Chair Schultz called the meeting to order at 5:00 p.m. and gave an overview of the agenda.

[Documents and Presentations for today's meeting](#)

Items of Interest from Commissioners

- *Commissioner Baugh:* Would like to thank Commissioner Schultz for her efforts at Council and for providing a cake to BPS staff. Thanks to BPS staff for their work on the Comp Plan.
- *Commissioner Spevak:* I just got back from vacation in Europe. It's invigorating to see places where biking is so prolific. It's also interesting to see the range in ages and types of structures - the eclectic mix was fun to see.

Consent Agenda

- Consideration of minutes from the June 14, 2016 PSC meeting

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

The Consent Agenda was approved with an aye vote.

(Y10 –Baugh, Houck, Larsell, Oxman, Rudd, Schultz, Smith, Spevak, Tallmadge, St Martin)

Disclosures on Conflicts of Interest (Mixed Use Zones)

- *Commissioner Spevak:* I own commercial property in a mixed use area and will exclude myself from the mapping sections of the discussion accordingly. I also own residential property and will not vote on the residential maps.
- *Commissioner St. Martin:* I also own property in a mixed use area and will not vote on the mapping.
- *Commissioner Schultz:* I have general potential conflicts - I work for an architecture firm that has projects all over the city.
- *Commissioner Bachrach:* I own property on SE 17th that is proposed to be downzoned, so I will not vote on the residential map portion.

Task 5: Mixed Use Zones Project

Work Session: Barry Manning, Bill Cunningham, Eric Engstrom

Barry Manning reviewed highlights of the memo sent to PSC on June 23, 2016. Tonight the plan is to talk about Topics 3-7.

Mr. Manning introduced bureau partners Matt Tschabold (PHB) and Justin Douglas (PDC).

Justin Douglas: Wanted to commend staff for an excellent public process on the MUZ project - and for being open to conversations with PDC.

PDC feels that affordable housing is the most pressing issue facing the City - and that long term commercial affordability is also critical. While there are still some things we would like to understand better, we are very enthusiastic to be a partner.

Two broader comments: 1) density is critical to maintaining both residential and commercial affordability; and 2) the provision of parking impacts the take-up of the bonus program. To the extent that there are tradeoffs between parking and the take-up, we would like to suggest that we explore district parking solutions.

Matthew Tschabold: Commended staff on engaging PHB staff and working together on key decision points.

With respect to the MUZ project, PHB supports it. With regard to how it's structured, we want to utilize that framework as a part of any mandatory inclusionary housing program. At a high level, the City will need to provide a basket of incentives - and we tend to fully utilize any bonuses that are a part of that incentive package, as well as other tools being suggested by our own panel of experts.

Commissioner Larsell asked Justin to elaborate on the relationship between parking and affordability.

Mr. Douglas: What we discovered - once buildings got to certain sizes and parking thresholds kicked in, a developer might be less inclined to use a bonus if they were required to build parking.

Commissioner Smith: With regard to the affordable housing bonus - my concern is whether the bonuses are adaptable as economic conditions change. Does it need to be recalibrated?

Mr. Tschabold: We're certainly calibrating it for today, and parts of it will be embedded in the Zoning Code itself. Other elements of the mandatory inclusionary housing bonus would be housed elsewhere in City Code. I don't anticipate much of the recalibration coming from changes to the Zoning Code. It will come from changes in other areas.

Commissioner Spevak: I appreciate this is going to get embedded in the MUZ code. I hope that can get done as quickly as possible. Based on what I've read, this is really targeted at rentals. I'd hope there's a component targeted at ownership as well.

Mr. Tschabold: Yes, a lot of the attention is on the rental market. But the Commissioner's Office and Bureau are working on a For Sale program.

Commissioner Tallmadge: You're looking at about 50% up-take from developers? If the estimate is a 50% up-take, and we want everyone to take advantage - this would lead to buildings being really tall. Are tall buildings in neighborhoods a good tradeoff?

Mr. Tschabold: I think PHB's opinion is that to encourage affordability for residential and commercial development, we need to increase our density, both with respect to infill and creating a denser city. Yes, in the long term, we are going to need to build up and in as a city.

Mr. Manning: As we're talking with PHB, 20 units is the threshold for the mandatory program, and we're expecting that more projects will take advantage of the bonus FAR because they're already in the mandatory program.

Commissioner Baugh: To the district parking - if you diminish parking cost, they could get more bonus, but that's an incentive. Is parking being considered as part of the IZ as an incentive? To the district parking, you have money in TIF districts, but outside of that, how would that work?

Mr. Tschabold: Yes, parking is being considered.

Mr. Douglas: You're right. We have limited tools. The two locations that we're most interested in exploring right now are Old Town Chinatown and the Central Eastside. These are both in the CC and won't be addressed by the MUZ project.

Commissioner Bachrach: On the commercial side, commercial leases are so much more variable than residential, how far do you have to dig in to enforce a commercial program?

Mr. Douglas: Will that be an attractive bonus? Will there be a demand for it? Where would it be taken up? There are a lot of things that need to be worked out. What does affordable mean? What would the term be for that affordability? What types of business?

Commissioner Bachrach: I certainly understand and support the policy goals of this, but I read the May, 2016 analysis by EcoNorthwest and they have a lot of skepticism about the tools being proposed. I'm troubled by the good intentions maybe not being translated into effective tools. I'm trying to understand the consequence if the skepticism bears out. What's the downside if it doesn't work? My concern is that we're going to create very few affordable units and we're going to decrease the density and number of units overall- I'm trying to understand the risk.

Mr. Manning: From the perspective of bonus utilization, there was some skepticism about the take-up of the bonuses. In some cases, we are proposing an FAR reduction. We feel confident we've maintained enough capacity to meet our 2035 goals, even with the reductions. I guess the one thing - as the City works through IZ, our expectation is that more projects will be in the system - and we expect that to increase take-up of the bonuses if they already have to provide some units.

Mr. Engstrom: Jeff, you're correct in what the risk is. We've tried to mitigate that - we didn't just change FARs, we changed the maps - the overall capacity is actually higher on the new map than the old, even with the FAR reduction. Secondly, we repeatedly did the economic modeling to check our work. Thirdly, we have an effective date in 2018 so we have enough time to work out those administrative details and pull the plug if we can't make something work. If we can't make it work, we have time to make changes.

Mr. Tschabold: I'm encouraged by the fact that our consultants are DRA and EcoNorthwest - and the folks that raised some of the concerns are the principals for EcoNorthwest on our team. IZ actually provides a mechanism for the City to provide more than just an FAR bonus. With other tools, there are mechanisms to help increase the up-take. The analysis looks only at voluntary up-take through FAR. If we find the utilization isn't what we'd like, we'd need to be honest about that and recalibrate.

Commissioner Bachrach: IZ will not be in Title 33?

Mr. Tschabold: Parts of it will be in Title 33, parts of it will be elsewhere. It will be a package of code.

Mr. Douglas: We do have the IZ code project - you will see this September 25 - we have a code concept we'll be circulating at the end of July. This is not the last you'll see of this.

Commissioner Smith: The Title 33 pieces of IZ will be amended against the current code rather than the 2018 code?

Tyler Bump: We'll be working on multiple sets of code. Both will come to you in September.

Commissioner Rudd: For parking, what are we talking about? Structured?

Mr. Douglas: I was referring to parking owned by the City or PDC.

Commissioner Rudd: Certain neighborhoods would be likely to have higher up-takes. Do those areas have limited parking?

Mr. Engstrom: There will be a shortage if we see the housing development we want. There is potential for that.

Mr. Manning introduced BDS Staff Gina Tynan and Tim Heron

Ms. Tynan: I will review continued items of concern. We did submit formal comments as part of the public record. Ms. Tynan reviewed the Complexity of Development Standards section of the handout.

Mr. Heron reviewed sections of the handout related to Proposed Development Standards and additional recommendations from the Design Commission/Historic Landmarks Commission.

Commissioner St. Martin: On increasing the ground floor windows, what is behind that?

Mr. Heron: The more opportunities for more ground floor active uses, the better. Going from 40 to 50 seems like a reasonable split. The current standard depends on two metrics. BPS has gone to a simpler metric. The 50% seems more reasonable (old linear requirement was 50%) and clean.

Commissioner Schultz: As someone who's had to modify this standard in the past, how does this still get achieved?

Mr. Heron: We have a desire, with the single metric as opposed to the two metrics, it seems like that might be less of a concern. There's maybe some work to be done in the metric, but I think the 50% works. If we have to modify it, that would still be allowed.

Commissioner Tallmadge: Why is BPS not supportive of residential entrances as active ground floor uses?

Mr. Engstrom: As we understand it, each unit would have a separate entrance. We've looked at what's been built in the last decade, we were afraid that was too specific.

Commissioner Baugh: Some of these items seem like RICAP issues.

Mr. Engstrom: We have committed to moving DOZA and related updates to Community Design Standards up - we'd like to do that before this comes into effect. The other one is that we're anticipating a project to do a lot of the RICAP-like cleanup that will need to happen with MUZ-related language in 33 and in other City codes.

Commissioner Baugh: With regard to DOZA and the Community Design Standards, it seems premature to get to some of these issues because they could change in those processes.

Mr. Engstrom: In some case we've taken what used to be a Community Design Standard and moved it into the base zone so they apply in areas not subject to design review.

Mr. Manning: I think what BDS is asking is that we just reference the design standard rather than the plan district standard.

Commissioner Schultz: Is it possible to implement stories as opposed to height? Some of the heights are limiting heights in units or on the ground floor. 3 stories = 35 feet? Can we implement number of stories instead of height?

Ms. Tynan: For Planning & Zoning (BDS) we're trying to get at the form, the size, the massing - if you get into an issue where you're talking about stories, that's in building code, not zoning code. Do you then have to set height limits on floors? Our preference would be to use height to give you flexibility within the building.

Commissioner Schultz: Is there a way to do it though? There must be a way to give a design team a little more flexibility for design rather than just doing the smallest building?

MUZ Discussion

Topic 3

Commissioner Spevak: Does the FAR transfer allow you to go .5 or .75 above and beyond what you can earn?

Mr. Manning: No. You could transfer up to the maximum. You could get half of the total FAR as a transfer. The idea was that you could combine the two tools, but you could never exceed the maximum.

Commissioner Larsell: Why is BPS not supportive of the minimum FAR?

Mr. Manning: We can come back to this, but the reason we didn't include it was this is a citywide application - there are some areas where we don't think minimums make sense - where we have large lots, not enough parking, etc. The economic characteristics of those areas don't allow those things to pencil out. We did include it in the Center/Main Street Area. We felt those areas should meet a minimum density - but didn't want to apply that citywide.

Mr. Engstrom: We were also trying to respond to the policy in the Comp Plan about time transitions - and that we ought to be tolerant of a more incremental approach to growth.

Chair Schultz asked for a show of hands by those commissioners who were generally supportive of the staff recommendation. All commissioners raised their hands.

Topic 4

Commissioner Houck: The Division design initiative addressed a lot of these issues. At one point we were told there was going to be a discussion about their recommendations.

Mr. Manning: Yes, on July 12.

With regard to the 4.1 Staff Recommendation

Commissioner St. Martin: So what's physically possible? Is 3 feet enough?

Commissioner Schultz: No. You need 18 feet at ground floor to do a multi-stacker. If you want to do complex stackers, you need to have 18 feet.

I can recognize the value of talking with the communities and limiting height - but that's also why I keep talking about using floors instead of height. What we end up doing is reducing ceiling heights within our unit. Most of our clients like to build 9 foot ceilings. We also like to have stackers or storefronts on the first floor. This is forcing a minimum quality building throughout the City - when what we're really talking about is a 3 story building - rather than having us look at the tradeoffs - if I want a stacker, I have to have short ceilings in the rest of my building.

On the requirements for setbacks - with the heights and the setbacks, I can't make it work and make it habitable - unless I shrink the ground floor even more. A solution is to talk about stories and then maybe the maximum height.

Mr. Engstrom: We're struggling a little bit with going above what we are at today when the whole point of the project was to address this development and its relationship to the surrounding neighborhoods.

Commissioner Baugh: The concern I have relates to the size of the unit. The units are getting smaller and smaller. Some developers are calling a 350 sf unit a single family unit. What prevents a developer from building really short stories?

Commissioner Schultz: Building code does have height minimums, so you can't go to 7. The current proposal basically requires you to do 8. You can't build more than that.

Commissioner Baugh: What are we trading off? We're looking at a very complex code. Is this the appropriate spot to start creating a complex code to tell developers this is how high and this is how many stories...I don't know if today, we want to put our foot in that conversation.

Commissioner Schultz: You're also talking about livability though.

Commissioner St. Martin: Parking is an issue, so allowing more stackable parking in a building definitely benefits a community.

Commissioner Spevak: I'm inclined to think - right now it's squeezed down to the minimum - but there are ways to do this in Code - to look at height and floors.

Commissioner Oxman: I'm intrigued by the idea. The idea of max height and max stories makes sense to me. This addresses the mass, but it allows a lot of flexibility within the building. I'm supportive of the idea at looking at variable story height.

Commissioner Smith: Two questions. First, there is a public policy tradeoff between public realm and private realm. I'm leaning a little toward private realm and decent ceiling heights. So Commissioner Schultz, you like 4.1D, but add a provision to limit the number of stories?

Commissioner Schultz: Yes, that's the way I'd be leaning.

Commissioner Smith: I think I'm supportive of height flexibility. I'd go ask staff to think about how to regulate this.

Commissioner Baugh: What is the impact of IZ/parking on this? How will height impact the parking? And how much value can we capture in the parking? This issue will come back to bite us in IZ because now you've given parking a whole bunch of room and you need to capture that.

Commissioner Rudd: Are we talking about making the 3 to 5 only for the first floor or can they use it wherever?

Commissioner Schultz: I'd be inclined to give the flexibility to the developer. It seems to me that staff needs to go do some homework. Is there support for 4.1D generally? Then we can discuss it later.

Chair Schultz asked for a show of hands by those commissioners who were generally supportive of the staff recommendation. A majority of Commissioners raised their hands. Commissioners Smith, Baugh, Tallmadge and Rudd did not.

Central City 2035 Plan

Briefing: Sallie Edmunds, Rachael Hoy, Troy Doss, Mindy Brooks, Debbie Bischoff, Mauricio Leclerc (PBOT), Judith Gray (PBOT)

Susan Anderson thanked everyone for their involvement with this plan - particularly Commissioner Schultz and Rudd, and former Commissioner Hanson for their service on quadrant plan Stakeholder Advisory Committees.

Disclosures on Conflicts of Interest (Central City)

- *Commissioner Smith:* I own a rental condo in the Pearl. I believe there are no provisions in the code that would affect that property specifically. I don't believe I have any conflicts.
- *Commissioner Schultz:* I work for an architecture firm with projects all over the City. We have many many many projects in the Central City - these could all be potential conflicts of interest.

Discussion

Commissioner Tallmadge: Could you clarify where the affordable housing piece is?

Ms. Hoy: MUZ will be bringing together a proposal in October. We'll still be with you at that time. What I presented today was a bonus and transfer system - this will probably change by October - we'll be in work sessions, and we should be able to work through any of the changes we need to make.

Commissioner Houck: Really good to see the bird strike stuff. What's the issue with lighting related to bird safety?

Ms. Bischoff: We have two new sections of exterior lighting development standards. They state that lighting should face down and materials should not be reflective in a way that harms wildlife.

Commissioner Houck: With all the viewpoints along the greenway, where can you plant trees?

Ms. Brooks reviewed a map that highlighted areas in vegetation management areas - and where you could and could not plant trees.

Commissioner Houck: I'm pleased to see us moving from 25' to 50' on the setback.

Commissioner Smith: How do we regulate the view corridors in terms of technology? Two dimensional maps may be obsolete. Have we thought about visualizing the regulations in a new way?

Ms. Brooks: We are mapping it in 3D, but for simplicity - translating it into a building height makes implementation easier for BDS.

Commissioner Schultz: Keep in mind how you're implementing a diagonal line (from a view corridor) across the site.

Commissioner St. Martin: Is there any consideration on the fence on Vista?

Ms. Brooks: We have recommendations on it, but it is a safety issue. I don't think there is a solid recommendation.

Commissioner Bachrach: Are there regulations related to views other than heights?

Ms. Brooks: For building heights, there are a few maps in 33.510 - everything else is found in chapter 33.480 - vegetation related items, etc.

Commissioner Spevak: I'm guessing we're going to hear from property owners in those view corridors. Are there tools for those property owners to still use the lost FAR?

Ms. Brooks: Yes. They could transfer to a site after that receiving site has used the bonuses.

Commissioner Schultz: Is there a way to get out the information in the inventory - for the public and development community? Sort of a hey, it's not preserved but you should be aware and maybe you can design around it?

Ms. Brooks: Yes. We'd welcome ideas! The document costs around \$80 to print.

Commissioner Schultz: Maybe it could be part of a pre app.

Commissioner St. Martin: What was the thought process between LEED Gold as opposed to one of the other colors?

Ms. Hoy: It's the most comprehensive program today. It's also the most widely used in Central City over the last 15 years. We just want to continue that momentum.

Commissioner Spevak: I have a fundamental problem with a City requiring people to purchase a product from a specific vendor. I have a great article I'll forward on Vancouver - they did a lot of planning in their West End that made it a vibrant place for kids and families. I hope we make this a priority too. On bird safe windows and roofs - I'm curious what the trigger point is if you're modifying an existing building.

Commissioner Schultz: I'm a little disappointed that we're only registering for LLED. I second Commissioner Spevak's comment that it has to be LEED. I'd like to see folks develop to a standard and I don't know if registering is really going to get there.

Ms. Hoy: We were originally thinking of this as a requirement. But with some of the changes in the LEED program - they are going to become more stringent than the state building code - and local jurisdictions cannot require something more stringent than the state code.

Commissioner Bachrach: I just hear a lot of comments that there are better ways to manage sustainability in a project than LEED. I hear the same thing about ecoroofs. I'm concerned we're stifling creativity by picking something up off the shelf. If 90% of buildings are already doing this, why are we mandating the 10% do it too?

Commissioner Houck: There are many other benefits of ecoroofs other than stormwater - habitat, green access, heat island, etc.

Commissioner Spevak: If we're going to start having minimum densities - we need to make sure you can't "density dump." I also had another thought about the bonus for the greenway - why not just give them more FAR and just make them build farther away?

Mr. Doss: There's a lot of complexity. We borrowed the idea from South Waterfront, but it's usually easier to incent things than to require them.

Ms. Brooks: We have looked at different options - there are only a few places along the river where we expect redevelopment. Going back 100' takes up a lot of space. The 50' plus bonuses is where we have landed at this time.

Commissioner Baugh: Is the development at Tom McCall Waterfront Park targeted at some social-economic or is it just small pods? How is it programmed to be developed?

Ms. Bischoff: That has yet to be developed, but we have heard lots and lots of comments on the desire to activate the park. Parks has said any development would require an update to the park's master plan. Also - there are a lot of concreted areas (like under the bridges) that would be appropriate for these developments.

Commissioner Smith: They could not get to agreement on a bike share station in the park itself.

Commissioner St. Martin: You spoke about a formula for mitigating river impacts - what was the direction of this formula?

Ms. Bischoff: Generally, they looked at bike/ped trips, average daily trips on major public trails (mode split downtown is like 21%), what is percentage of impact new development would have with new trip generation? And then - is that substantial enough to warrant trail improvements?

Commissioner Spevak: Is there a plan for human being access to the water?

Ms. Bischoff: It is a component of our planning. It's not reflected in the regulations, but it is in our action items and in our work on the Eastbank Crescent, for example. We are working on a Central City Swimming Study to determine - what is the best site if the City decides to move forward with a formal swimming program?

Commissioner Rudd: The document addresses marine terminals specifically. Is there a plan for facilities for human powered craft?

Ms. Bischoff: If it's parks and open space, something like that would be allowed. We're not precluding anything.

Commissioner Rudd: Specifically, like the Portland Boat House, when it loses its lease - where can it go?

Ms. Bischoff: They're currently working with PDC - we're all monitoring that project. The goal is to have them continue to exist - maybe in the Eastbank Crescent area, maybe it's another location.

Commissioner Larsell: Was pleased to hear about seismic issues. Sounds like you're looking at URMs - it's my understanding there are many things related to hazard mitigation. Are there other things this process is addressing?

Director Anderson: We could have PBEM come and do a briefing on everything they're doing.

Ms. Edmunds: There is a separate Natural Hazard Mitigation Process that PBEM is leading. We can have someone come talk about that.

Commissioner Smith: There is a policy discussion without any code related to unbundled parking. I wanted to flag that for your attention. My question for Mauricio [Leclerc] is related to the Map App. I don't see any classification maps. Are they coming?

Mr. Leclerc: No. We've done it in the past and it's proven to be very confusing. I think it's a technology issue.

Commissioner Chris: I want to see the whole transportation system and how it connects to areas outside of the Central City. I'm trying to figure out if there's a discontinuity. Could you produce a Central City map that goes ¼ mile beyond the Central City boundary?

Mr. Leclerc: We can work on that.

Commissioner Oxman: I was fascinated by the reduction in the number of parking zones in the plan.

Mr. Leclerc: We are retaining the flexibility, but making it simpler to use.

Commissioner Baugh: The rationale of the MMA allowing more congestion -we want great streets and fewer cars, plus improved transit. How do we do this without some sort of TDM strategy? What's the plan?

Mr. Leclerc: We're continuing to work on that. The idea is there. We just don't have the mechanics figured out yet.

Ms. Gray: We talked about a two step approach to a TDM strategy - we asked for your support to take that second step - recognizing that the Central City needs to be treated differently. In terms of timing, we've talked about this as something that would start this year and be finished in 2017. Your support on this would be important.

Mr. Leclerc: Most of the projects that you see in the project list are supportive of more transit, limiting drive thrus, being smart about driveway location, jobs/housing - all of this together reduces the number of auto trips.

Ms. Edmunds reviewed the schedule for an amendments package, hearings and work sessions.

Adjourn

Chair Schultz adjourned the meeting at 9:10 p.m.

Submitted by Kathryn Hartinger