



Bureau of Planning and Sustainability
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MEMO

Date: August 17, 2016
TO: Planning and Sustainability Commission
FROM: John Cole, Senior Planner
CC: Tom Armstrong, Supervising Planner
SUBJECT: Zoning Code Chapter 120 Map Series: 4:1 FAR

At the Planning and Sustainability Commission meeting on August 23, 2016, the Commission will hold a final work session on the Miscellaneous Zoning Project. At the July 26th PSC hearing, the PSC directed staff to revisit the application of RH zone 4:1 FAR within The Alphabet Historic District in response to written and oral testimony provided by individuals and the Northwest District Association. In this memo Staff:

1. provides a revised application of 4:1 FAR within the Alphabet Historic District that balances concerns expressed regarding the compatibility of new development to historic preservation goals with larger housing supply goals.
2. responds to a request for similar consideration within the Kings Hill Historic District from the Goose Hollow Foothills League and finally
3. considers a related request to *increase* allowable FAR from 2:1 to 4:1 for certain properties that are being rezoned to RH from RX as part of the composite zoning amendments.

Testimony from the Northwest District Association asserts that the existing 4:1 allowed FAR within the Alphabet District is inconsistent with historic preservation efforts for that neighborhood and Comprehensive Plan Policies regarding Historic and Cultural Resources. Specific concerns were expressed that the existing 4:1 FAR allows for building massing that visually overpowers existing historic development and that added development potential increases the likelihood that historic structures will be demolished to take advantage of this development potential. A number of supporting Comprehensive Plan policies and design guidelines were included in support of the NWDA request (see attached letter from NWDA).

Written communication from the Goose Hollow Foothills League followed the initial PSC discussion of the Alphabet District concerns. (See attached) Here the Neighborhood Association is requesting the removal of 4:1 Far from the Kings Hill Historic District, a reduction in the maximum height to “the least maximum height applied to single family (R5) parcels in the district” and that “no bonus Building Height or FAR be available to exceed those recommended above in the Kings Hill Historic District.”



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The concerns expressed regarding building massing made by the Northwest District Association and the Goose Hollow Foothills League were subsequently supported by an informal vote of the Historic Landmarks Commission following a staff briefing on this topic on August 8th.

METRO regional government also submitted a letter (see attached) expressing concern that a number of proposed Comprehensive Plan implementation measures incrementally reduce the City's ability to accommodate anticipated residential growth. This letter includes the following concern relevant to the current consideration of reducing the existing 4:1 FAR allotment within the Alphet and Kings Hill Historic Districts.

“Proposed height limits and FAR reductions in historic districts such as the Alphet District or Irvington will additionally impact development potential in the Central City”.

To consider the competing requests of reducing the existing development potential within the two historic districts while maintaining potential housing supply near the Central City Staff has produced a map that shows

- properties assigned 4:1 FAR within the Alphet and Kings Hill Historic Districts
- existing FAR of development on a lot by lot basis
- location of contributing historic structures
- BLI underutilized parcels and
- area within 1000 feet of the Max Light Rail Station.

A copy of this map is attached for your review. Based on a review of the lot and building sizes staff can make a subjective distinction between that portion of the Alphet District south of Couch Park and Glisan Avenue with the portion of the Alphet District north of this line. South of Glisan there are more half block and one block parcels, there are larger institutional buildings and there are more significant underutilized parcels than within the remaining portions of the Alphet District north of Glisan (including the vacant parcel owned by St Mary's Cathedral that was also the subject of testimony at the 7/26 PSC hearing).

Other issues that may be relevant to a discussion of RH Zone FAR assignment within historic districts include the following.

Allowable FAR establishes Maximum Building Height

Allowable FAR establishes allowed building height in the RH zone as described by Code section 33.120.215B.2.

2. *In the RH zone, the following maximum height limits apply:*
 - a. *Where the FAR is 2 to 1, the maximum height is 65 feet, except on the portion of a site within 10 feet of a front property line, where the maximum height is 25 feet.*



- b. *Where the FAR is 4 to 1, the maximum height is 75 feet, except on sites within 1,000 feet of a transit station, where the maximum height is 100 feet.*

Transfer of Density and Density Bonuses may further increase building size

Section 33.120.205. Transfer of Density allows for the transfer of density from one site to another within the RH zone subject to compliance with development standards. In the RH zones the maximum increase in FAR on the receiving site is 3:1 FAR.

Inclusionary zoning bonuses still under development may permit up to an additional 20% FAR within RH Zones over and above those assigned through the FAR Map series.

Historic Resource Review Development within both the Alphabet Historic District and The Kings Hill Historic Districts are subject to the review procedures described in 33.846 Historic Resource Reviews and standards contained in code section 33.445 Historic Resources Overlay Zone as they pertain to historic resource review within an Historic District. Review by the Landmarks Commission can serve to improve the compatibility of new construction with its neighborhood context but as stated by the Landmarks Commission they can be more successful when the base zone standards act in concert, not conflict, with these goals.

FAR Assignment for Zone Changes RX to RH:

Testimony was submitted orally and in writing at the July 26th PSC meeting by Allison Reynolds on behalf of Sol Terra Architecture requesting that property located at 25 N Fargo Street be assigned the 4:1 FAR at the same time it is legislatively rezoned from RX to RH as part of the City's larger efforts to eliminate the RX Zone designation outside of the Central City and Gateway. Staff has included two maps documenting where this limited rezoning is recommended and concurs that the assignment of 4:1 FAR to these properties will be consistent with building proposals now under permit review and the objectives of the legislative zone change.

Staff Recommendations

Alphabet Historic District: Staff is persuaded by testimony from The NWDA regarding the potential incompatibility of 4:1 FAR development to the character and stability of portions of the existing Alphabet Historic District. This support is tempered by concerns over the loss of housing potential expressed by METRO and shared by city staff. After a review of the location of contributing structures within the Alphabet District, the existing FAR of developed properties and consideration of the remaining development potential, Staff is proposing

- retention of the 4:1 FAR within the in the southern portion of the Alphabet District (south of Glisan) where larger development can more likely successfully coexist with existing institutional development and
- return to the Base RH zone 2:1 FAR in those areas north of Glisan within the Alphabet District. Here existing (historic) building size and platting patterns are less capable of supporting the 4:1 FAR in a manner that would not result in building massing conflicts with existing historic structures or encourage the demolition of historic structures. (see attached Map)



Kings Hill Historic District: There is not the same sort of discernable dividing line within the Kings Hill Historic District as there is in the larger Alphabet Historic District to help distinguish between an allowed 4:1 FAR and the base zone allowance of 2:1. Staff is influenced by the number of large residential structures already built in this district and by the larger lot sizes to recommend that this area retain its existing 4:1 Far.

RX to RH: Staff has also reviewed the limited number of tax parcels that are being rezoned from RX to RH and proposes that they be assigned a 4:1 FAR. This will limit a number of otherwise non-conforming developments that are currently underway while still being consistent with the city's interest in eliminating the RX zone outside of the central city and Gateway.

Attachments

- Northwest District Association Letter dated July 26, 2016 w/out attachments
- Goose Hollow Foothills League Letter dated August 5th, 2016
- METRO Letter dated August 8, 2016
- Letter from Allison Reynolds dated July 26, 2016 Map of 4:1 FAR w/in Alphabet and Kings Hill
- Map of Historic Districts w/ existing FAR contributing Historic structures and BLI underutilized parcels.
- Map of RX Zoned Tax Parcels Proposed to Change to RH
- Map of Proposed RH 4:1 FAR Areas within Historic Districts





Northwest District Association

July 26, 2016

Bureau of Planning and Sustainability
900 SW 4th Ave #7100
Portland, OR 97201

**RE: Comprehensive Plan Update: Miscellaneous Zoning Amendments
Request re: Alphabet Historic District**

Dear Commissioners:

The NWDA Planning Committee writes concerning zoning in the Alphabet Historic District described in the Miscellaneous Zoning Amendments Project (MZA). NWDA appreciates the City's receptiveness to NWDA feedback provided in the form of public testimony concerning historic preservation, reflected in the recently adopted Comprehensive Plan policies.

Consistent with such policies, NWDA requests deletion of Map 120-9 (formerly Map 120-7) and Map 120-6 (formerly Map 120-8) in order to eliminate 4:1 FAR allowances in RH-zoned parcels in the Alphabet Historic District (see attached) so the default of 2:1 FAR allowances apply in such areas.

NWDA's request is based upon:

- The 2035 Comprehensive Plan's Historic Preservation Policies, including Policy 4.49
- The Alphabet Historic District Addendum to Community Design Guidelines
- Existing FAR in Alphabet Historic District, and FAR in other Historic Districts

I. **Compliance with Policy 4.49 – Resolve Conflicts.**

The 2035 Comprehensive Plan calls for a resolution of conflicts between base zoning and design guidelines in historic districts:

"Policy 4.49 Resolution of conflicts in historic districts. Adopt and periodically update design guidelines for unique historic districts. Refine base zoning in historic districts to take into account the character of the historic resources in the district."

BPS acknowledged recently, while recommending denial of destruction of a contributing resource in favor of a 6-story apartment complex on a RH-zoned parcel with 4:1 FAR, that such zoning in the Alphabet Historic District could jeopardize the character of the historic district and encourage destruction of historic structures:

"There are many historic buildings within the district that are four or five, or even six, stories tall, and this density is noted in the National Register nomination as part of the significance of this neighborhood. However, staff notes that the RH zone covers broad areas of the district, thereby seemingly encouraging demolition of the older smaller-scaled buildings that fall within this zone; this zoning designation was, in fact, noted in the Alphabet Historic District



Northwest District Association

National Register nomination as a ‘threat to the remaining single-family homes in the neighborhood’. (emphasis added)

-Staff Report and Recommendation for LU 14-210073 DM – Buck-Prager Building Pages 13-14

Eliminating 4:1 FAR in favor of 2:1 FAR in RH-zones will help reduce proposals for such out-of-scale projects. Indeed, BPS Staff acknowledged the risk of encouraging such projects given existing zoning in the district:

“In the past several years, there have been many new buildings constructed within the Northwest neighborhood and within the Alphabet Historic District. One of these is a six story EX-zoned residential building one block away. Two blocks away is another 5-story EX-zoned residential building with a **5-story RH-zoned building across the street**. Since construction, staff and the Historic Landmarks Commission have determined that these new buildings are **excessively large and relatively incompatible**, particularly in one case where the new building is adjacent to, and dwarfs, a Landmark 3-story apartment building directly to its south.” (emphasis added)

-Staff Report and Recommendation for LU 14-210073 DM – Buck-Prager Building Page 14.

II. Consistency with Community Design Guidelines.

Eliminating 4:1 allowances in RH-zones ensures development that is consistent with the Community Design Guidelines applicable to proposed development projects in the Alphabet Historic District:

ALPHABET HISTORIC DISTRICT ADDENDUM TO COMMUNITY DESIGN GUIDELINES

- **Historic Alphabet District Guideline 2:** “The design of new construction will be compatible with the historic qualities of the district as identified in the Historic Context Statement.”
- **Historic Alphabet District Guideline 3:** “Hierarchy of Compatibility. Exterior alterations and additions will be designed to be compatible primarily with the original resource, secondarily with adjacent properties, and finally, **if located within a historic or conservation district, with the rest of the District**. Where practical, compatibility will be pursued on all three levels. New development will seek to incorporate design themes characteristic of similar buildings in the Historic Alphabet District.”

RH-zoning with 4:1 FAR in this area was established prior to the designation of the Alphabet Historic District, and during a period when such zoning was intended to encourage the type of high-density development that is now commonplace throughout the Northwest District¹, of which the Alphabet Historic District is a small part.

¹ According to the MUZ 10/10/14 assessment (see attached), the Northwest District has the highest density and largest number of housing units among the mixed-used areas studied citywide.



Northwest District Association

"Staff notes that the RH (High-Density Residential) zoning, which assumes densities ranging from 80 to 125 units per acre, and allows up to a maximum height of 75 feet and a floor area ratio (FAR) of 4:1, was established in 1980. At the time of the 1980 Comprehensive Plan, the Northwest neighborhood, after years of decline, was slowly starting to see reinvestment, including restoration of the Trenkmann Houses, directly south of the subject property, which were listed in the National Register in 1978. National Register listing and restoration of the Irving Street Houses, directly north, and the Campbell Townhouses followed suit in 1980. In 2000, the Alphabet Historic District was listed in the National Register of Historic Places, primarily as a means to protect the unique character of this part of the City."

-Staff Report and Recommendation for LU 14-210073 DM – Buck-Prager Building Pages 13-14

III. Consistency with Existing FAR in Alphabet Historic District and other Historic Districts.

The vast majority of existing properties in the Alphabet Historic District (see attached), are well below 4:1 FAR. Eliminating the 4:1 FAR allowance in RH zones thus helps to ensure development that is compatible with existing structures in the Alphabet Historic District.

BPS recommended changes to FAR in the Irvington Historic District under the MZA, (page 42 (Map 120-8 (formerly Map 120-10)) to eliminate 4:1 allowances in favor of 2:1 FAR in response to concerns by the Irvington Community Association "regarding the compatibility of 4:1 FAR structures with [the] existing Irvington Historic District." NWDA seeks similar consideration to address compatibility of development in the Alphabet Historic District.

As discussed above, eliminating 4:1 FAR in RH-zoned areas in the Alphabet Historic District will ensure compliance with the Comp Plan Policies, compatibility with the Community Design Guidelines and consistency with existing FAR in the Alphabet District and other Historic Districts. **Such compatibility will provide more up-front certainty and clarity to developers and will prevent proposals for out-of-scale projects that are unlikely to receive approval from BDS or the Historic Landmarks Commission based upon application of applicable design guidelines.**

Thank you for considering our request to eliminate 4:1 FAR allowances in RH-zoned parcels in the Alphabet Historic District.

Sincerely,

Northwest District Association Planning Committee

Encl.



August 8, 2016

Portland Planning Commission
1900 SW 4th Ave., Suite 7100
Portland, OR 97201

Portland Planning Commissioners:

Two decades ago, our region adopted a vision for how we would develop over the ensuing 50 years: the 2040 Growth Concept. This regional agreement to grow in city centers, transit corridors, employment areas and downtowns throughout the greater Portland area is intended to both limit sprawl out onto foundation farmland and also make the most of our collective investments in public facilities like roads, transit, parks, and water and sewer pipes. Metro and the City of Portland have been close partners in managing strong historic rates of growth while maintaining a high quality of life in the region.

I am writing today to raise a flag of concern that a series of decisions under development or pending before the City have the potential, when viewed collectively, to reduce the amount of housing that we can expect to be produced in Portland. The affordable housing crisis we currently face requires that an increasing supply of housing be developed in order to keep pace with demand. Our region is depending on the City of Portland to accommodate a significant proportion of the region's growth in population and employment.

While we understand that the City is striving to balance accommodating growth with impacts on neighborhoods and existing residents, our staff have identified some specific regulatory actions which we believe will have a chilling effect on housing supply and development. The proposals which are causing concern include:

- 1) The City's Mixed Use Zones proposal (funded by Metro through a Community Planning and Development Grant, the intent of which was to reduce development barriers) which reduces base zone FAR in certain locations, reducing the development capacity of these districts.
- 2) The downzoning of Main Street Areas to CM 1 (such as Belmont) that restricts heights to 35 feet, effectively limiting all new infill development. These districts have excellent transit service and high amenity value and therefore have strong demand for additional residential development. Corridors such as these should be appropriately designated to accept more growth due to these characteristics, not have that growth restricted. Alternatively, please consider the City of Seattle's program which helps to preserve historic buildings by allowing developers to build on top of existing single story buildings with an added height bonus when the character building is preserved.

- 3) Proposed view corridor height limitations in the Central Eastside Industrial District such as the Hawthorne Bridgehead and ODOT blocks – again this proposal reduces building heights in some cases from 275 to 40 feet in addition to FAR reductions, having a drastic impact on development capacity in a district with significant development potential and in an area that has been planned to accept more growth.
- 4) Proposed height limits and FAR reductions in historic districts such as the Alphabet District or Irvington will additionally impact development potential in the Central City.
- 5) Lastly, the City is currently developing an inclusionary zoning (IZ) program which currently anticipates FAR bonuses. We are already hearing from the development community about how the uncertainty of the IZ program is negatively impacting land transactions and development proposals. We urge the City, as the program is developed, to ensure that the financial incentives that are offered are robust enough to offset the entire amount of added costs for the affordable units in order to not have a chilling effect on development which would reduce potential supply and further the affordability challenges that we all face.

We understand how challenging it is to balance the need for growth with the legitimate concerns of existing residents. Every time Metro considers expansions to the urban growth boundary we face many of the same pressures. Our region has now designated urban reserves to accommodate some future growth – an amount of land which, if fully built out, would represent only an 11 percent increase in the region’s footprint. This is an incredibly aggressive goal that requires that the region’s cities do all they can to welcome growth in downtowns, transit corridors and employment areas.

In the spirit of partnership, we urge you to reexamine the regulatory policies outlined above with an eye to removing barriers to development, rather than creating new barriers.



Martha Bennett
Chief Operating Officer
Metro Regional Government

Cc: Portland City Council
Metro Council
Susan Anderson
Elissa Gertler

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July 26, 2016

VIA EMAIL (PSC@PORTLANDOREGON.GOV)

Ms. Katherine Schultz, Chair
Planning and Sustainability Commission
City of Portland
1900 SW Fourth Avenue, Suite 7100
Portland, OR 97201-5380

Re: SolTerra Testimony Requesting 4:1 FAR at 25 N Fargo Street to Prevent New Mixed Use Developments from Becoming Non-Conforming

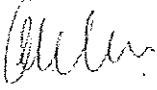
Dear Chair Schultz and Members of the Planning and Sustainability Commission:

This office represents SolTerra Architecture, Inc. ("SolTerra") which owns property located at 25 North Fargo Street (the "Woods Site"). The Woods Site is proposed to be down-zoned from RX to RH. The Woods Site is *not* included on the 4:1 FAR maps in the Miscellaneous Zoning Amendments Project, which will make SolTerra's brand new development non-conforming. We request that the Commission include this property on the 4:1 FAR maps and establish a 75-foot height limit for the site.

The Woods Site is proposed to be down-zoned from RXd to RHd, which we understand is part of the City's effort to eliminate the RX zone outside of the Central City and Gateway Plan Districts. SolTerra's proposed development, which in the last stages of building permit review, and will be constructed before the Composite Zoning Map changes become effective, will conform to the Property's current RX zoning. The development will also conform to the RH development standards if the 4:1 FAR and 75 foot height limits are imposed. SolTerra requests that if the RH zoning is imposed, the Woods Site is allowed a 4:1 FAR and 75 foot height limit.

Thank you for your consideration of this request.

Very truly yours,

A handwritten signature in black ink, appearing to read "Allison J. Reynolds". The signature is written in a cursive style with a large initial "A".

Allison J. Reynolds



GOOSE HOLLOW FOOTHILLS LEAGUE
1819 NW EVERETT ST. #205 Portland, OR 97209
(503) 223-3331 • FAX (503) 223-5308

Planning Committee

August 5th, 2016

Ms. Katherine Schultz, Chair
Portland Planning and Sustainability Commission
1900 SW 4th Avenue, Suite 7100
Portland, Oregon 97201

RE: Development Standards in the Kings Hill Historic District

Dear Ms. Schultz:

At our August 2, 2016 meeting the Goose Hollow Planning Committee took up the issue of likely shifts in attractiveness for re-development in the Kings Hill Historic District, a federally approved Historic District wholly within the Goose Hollow Foothills League's neighborhood boundaries.

The Goose Hollow Planning Committee is a standing committee of the Goose Hollow Foothills League (GHFL) and has executive authority under the GHFL bylaws.

The Goose Hollow Foothills League, recognizing the social and historical importance of Kings Hill, sought to propose a national historic district there in the late 1970's but it wasn't until 1991 that one was finally approved by the City of Portland, The State of Oregon, and the federal Department of the Interior. It was another ten years before the Kings Hill Historic District in Design Guidelines were adopted through the work of the City's planning staff, the Goose Hollow Foothills League and with the advice and approval of the Portland Landmarks Commission, the Oregon State Historic Preservation Office, and numerous individuals and institutions.

The Kings Hill Historic District Guidelines (2001) significantly informed the planning committee's discussion and development of its recommendations to the GHFL board and to the City of Portland. The *Guidelines* take up the subject of new construction in the district generally in *Guidelines* section A, and particularly in *Guidelines* D5 and D6 (page 62 et seq), and the committee's recommendation is in support of, and is supported by, those guidelines.

After much discussion, the committee broke down its recommendation into three separate motions in order to carefully parse out the policy impacts of each recommended action.

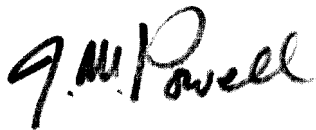
- <http://www.region.portland.or.us/neigh/ghfl/> •

The committee unanimously approved a motion to recommend reduction in FAR applied to all RH zoned parcels in the Kings Hill Historic District to 2:1. The committee considered the floor areas of existing contributing resources as well as the likely impact of increased development pressures due to locally increasing land values.

The committee unanimously approved a second motion to recommend reduction in height limits applied to all parcels in the Kings Hill Historic District to the least maximum height applied to single family (R5) parcels in the district. That maximum height would easily accommodate all but two of the existing contributing resources, each of which is on a challenging sloping site. On existing, likely sites for redevelopment the 30 foot standard would permit building to the height of existing buildings but would preclude drastically out of scale with neighboring contributing resources.

The committee unanimously approved a third motion to recommend no bonus Building Height or FAR be available to exceed those recommended above in the Kings Hill Historic District. Bonus heights and FAR applied in this sensitive development environment distort the intent of base zone development standards and should not be allowed. The bonuses, encouraging robust development elsewhere, conflict with policies encouraging compatible and complementary development in the historic district.

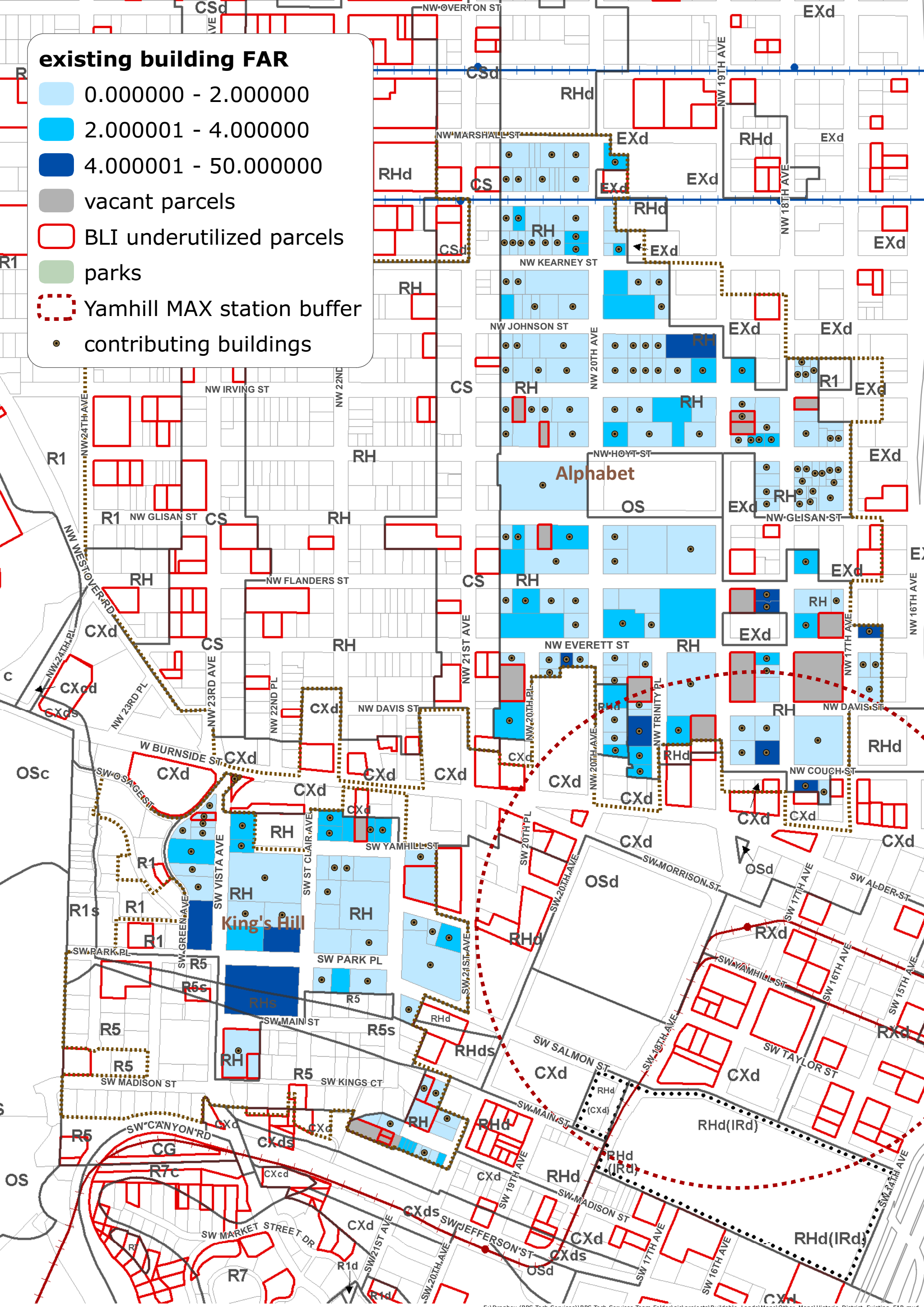
Thank you,

A handwritten signature in black ink that reads "J. M. Powell". The signature is written in a cursive, flowing style.

Jerald M. Powell, AICP
Co-Chair, Goose Hollow Planning Committee
For the Goose Hollow Planning Committee

existing building FAR

- 0.000000 - 2.000000
- 2.000001 - 4.000000
- 4.000001 - 50.000000
- vacant parcels
- BLI underutilized parcels
- parks
- Yamhill MAX station buffer
- contributing buildings



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City of Portland Buildable Lands Inventory
Historic District FAR Analysis | August 17, 2016

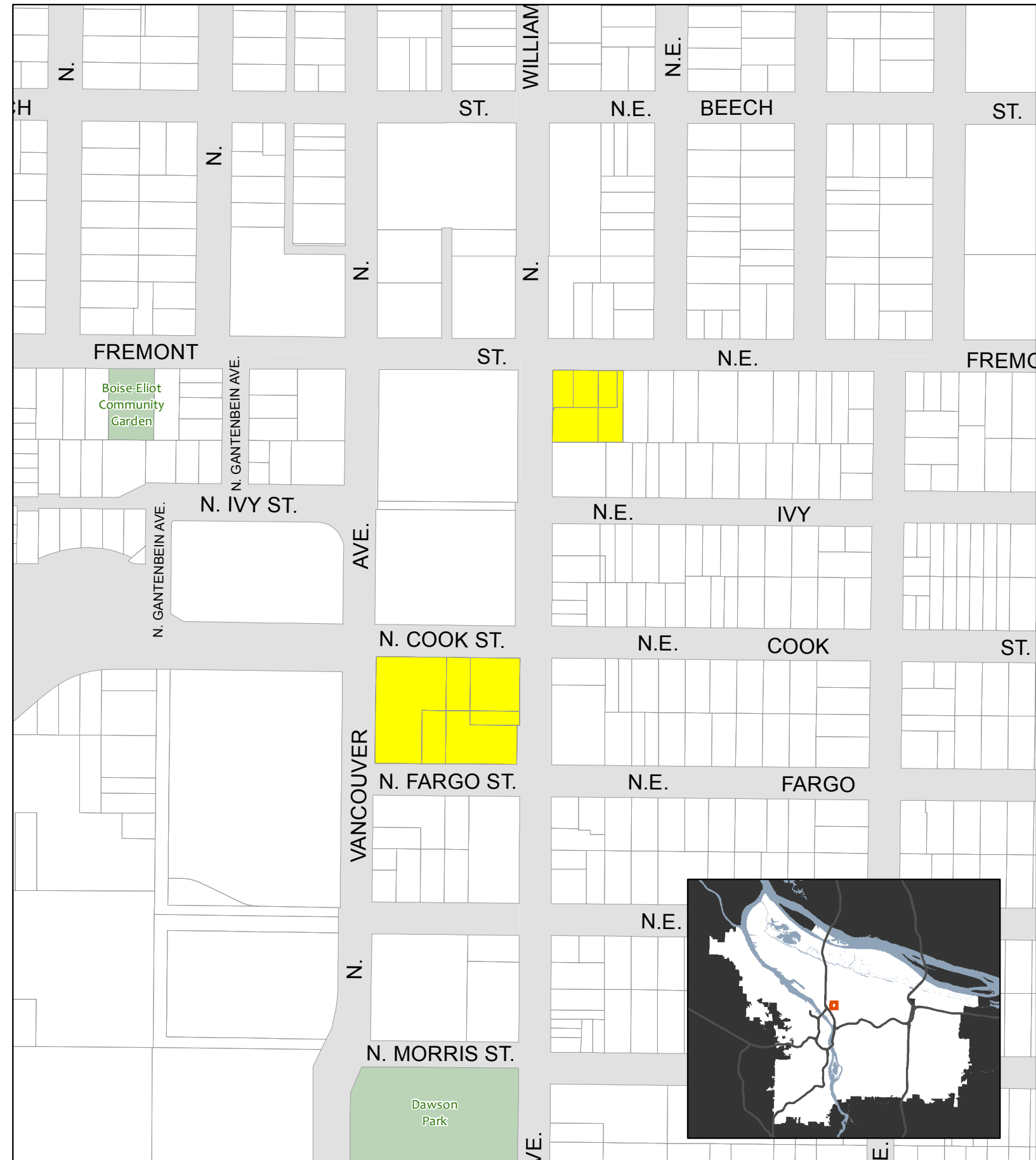
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RX-zoned Tax Parcels Proposed to change to RH



Legend

 RX Taxlots, proposed to RH

August 1, 2016

City of Portland, Oregon || Bureau of Planning & Sustainability || Geographic Information System

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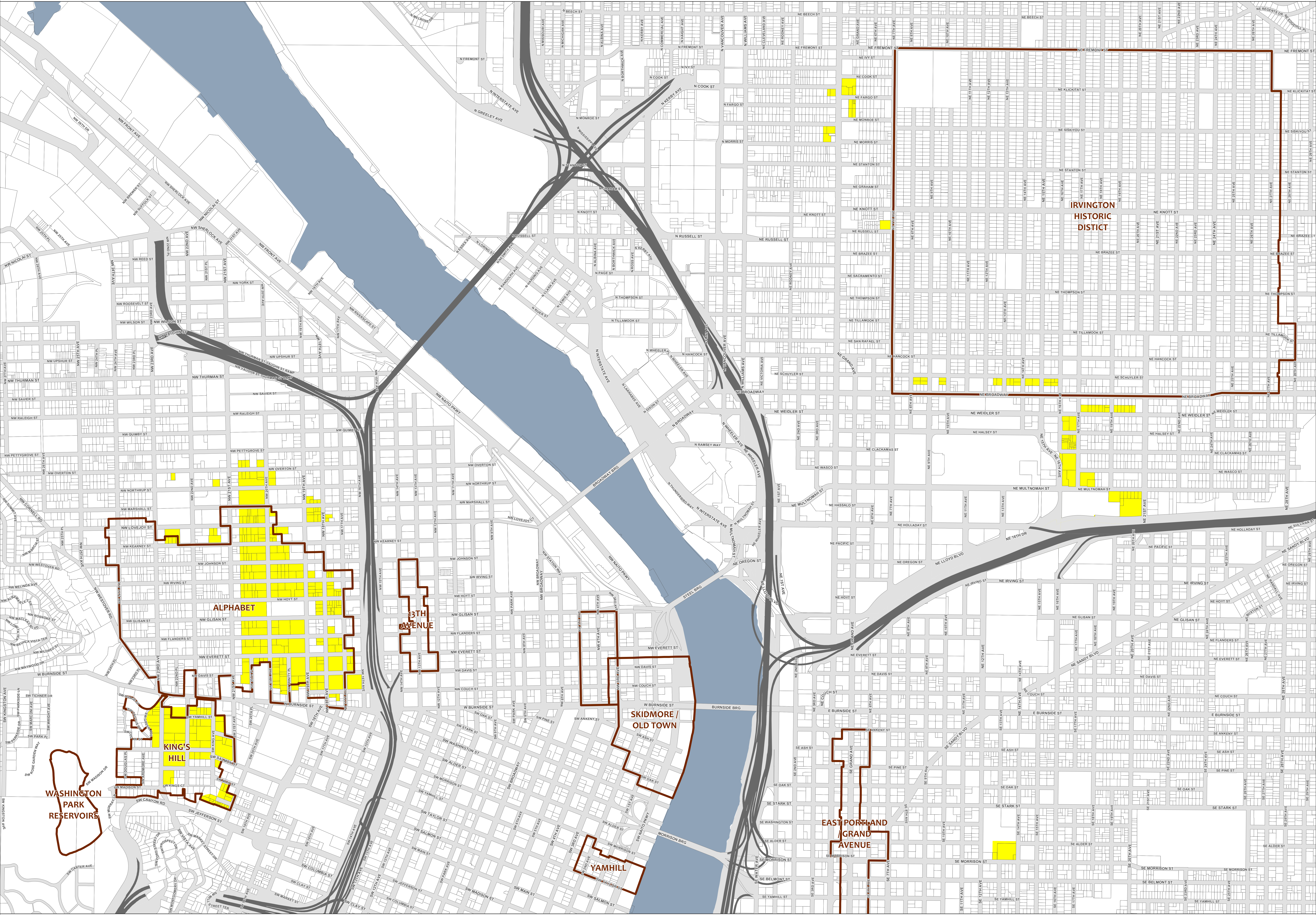


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Charlie Hales, Mayor • Susan Anderson, Director



Proposed RH 4:1 FAR Areas within Historic Districts

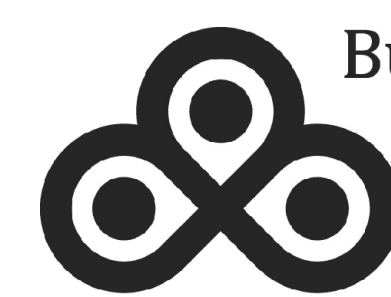


Legend

-  Proposed RH with 4:1 FAR
-  Historic District Boundary



0 3,000 Feet



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