

## Portland Planning and Sustainability Commission

Tuesday, May 17, 2016

5:00 p.m.

### Meeting Minutes

**Commissioners Present:** Jeff Bachrach (arrived 5:20 p.m.), Andre' Baugh (arrived X p.m.), Mike Houck, Katie Larsell, Gary Oxman, Michelle Rudd, Katherine Schultz, Chris Smith, Eli Spevak (arrived 5:42 p.m.), Teresa St Martin (arrived 5:35 p.m.), Maggie Tallmadge (arrived 5:30 p.m.)

**City Staff Presenting:** Barry Manning, Bill Cunningham, Eric Engstrom

*Chair Schultz* called the meeting to order at 5:05 p.m. and gave an overview of the agenda.

### Documents and Presentations for today's meeting

#### Testimony for today's meeting

#### Task 5: Mixed Use Zone Project

Hearing: Eric Engstrom, Barry Manning, Bill Cunningham

Barry gave an overview of the proposal and a recap of testimony we have heard so far. There are work sessions scheduled at the May 24, June 28 and July 12 PSC meetings.

#### Testimony

Susan Lindsay, PAC member: The PAC process was thoughtful, inclusive and worked well. It was a long process and often times complicated, but I appreciate that comments from the public and PAC members were really heard and addressed by staff. About the PPS proposal at SE Stark – I oppose this. Also, Buckman opposes the upzoning at 15<sup>th</sup>-19<sup>th</sup>. *See written testimony.*

Brendon Haggerty, PAC member: The process was very good, and staff was receptive and creative in their responses and solutions. The one part of the process that didn't receive enough air time was low-rise commercial, which only was discussed at the last couple of meetings. Low-rise and downzoning is hard to reconcile with lowering our greenhouse gas emissions and creating affordable housing. It might not be adequately addressing the problem that's been voiced. I'm concerned we might be making a sacrifice without getting what we hoped to achieve out of it.

*Chair Schultz:* Could you explain the process about step-backs and that discussion? I'm concerned about how a corner might look.

There was strong support for step-backs. But we know if every building is stepped-back, we get a "wedding cake" effect. The options to look more vertically appealed to me.

1. David Kingston: 4434 SE 26<sup>th</sup> Ave. Talked about proposed changes 179 and 170. There is a mismatch between the Comp Plan map and zoning map here. These properties have been set as mixed-use dispersed, but zoning is staying as R2 where others nearby are being changed to CE. I would like to see these properties be CE like the surrounding properties. This is an easy fix and the right place to enable infill. *See written testimony.*
2. Gary Stuart: SE 30<sup>th</sup> at Holgate/Gladstone. I support the multiuse plan, particularly at 28<sup>th</sup>-29<sup>th</sup> and Gladstone.

3. Ron Jeidy: NE 30<sup>th</sup> and Killingsworth. Opposed to the downzone from CS to CM1 here. The corner is vibrant, but if our building had to be replaced under the new zoning, we would have to shrink it to fit the proposed footprint. This is regressive in regards to density and lot coverage. *See written testimony.*
4. Danny Ngo: We should be in a commercial zone, and we have dreamed of starting a small business to serve our community. But with the proposed zoning, we won't be able to. *See written testimony.*
5. Dayna McErlean: NE 30<sup>th</sup> mixed-use CM1 property. With rezoning, where will the density go? We need to be able to build up during these times of peak desire to live in Portland. If we are putting density on corridors, why would CM1 be proposed in any of them? Asking developers to buy back density doesn't make sense when we need more housing. The node at NE 30<sup>th</sup> and Killingsworth should not be downzoned from CS to CM1. We had previously been told we would be zoned CM2.
6. Eileen Wallace: Properties in the heart of Foster. 6515-6519 SE Foster is a commercial building with residential on the top floor. We also own the adjacent single-family house to that building and nearby commercial property on SE Holgate. Thought we were going to be CM2, but recently we were notified they would be downzoned to CM1 to preserve older main street areas. We don't believe the downzone reflects the need for commercial improvement and flexibility. *See written testimony.*

*Commissioner Smith* noted the low-rise commercial program is to preserve the character of certain commercial strips. If we are limiting height and FAR, what are the essential elements that should be preserved?

Eileen: The concern is that the area immediately off the main street is where people will build instead of creating more of a main street and community area.

Dayna: The design standards should dictate this. Height and FAR doesn't mean the developer will build something that is fitting to the character. Design standards are the most important things.

7. Dean Gisvold, Irvington Community Association: Regarding three lots at 15<sup>th</sup> and Brazee that are zoned R5 but have been used commercially for decades. The MUZ plan changes this to commercial, but the current non-conforming status includes the operational practices that we want to stay (close at 11 p.m., open at 6 a.m.). This node is 15,000 square feet, but the provision is only for 7500 square feet. We want to see the threshold cover this commercial node. *See written testimony.*
8. Julie Cash: 28<sup>th</sup> and Holgate, which is a busy hub and close to the new MAX line. There is a mismatch in zoning. Please keep the existing designation as general commercial.
9. James Peterson, Multnomah NA: Submitted many pieces of testimony, but only a few items ended up in the record regarding changing CM2 to CM1. We have no problem with the density on Barbur. We want the record to be left open until the changes are known. Also, on hilly streets, we need height to be measured from the lower street, but that's not how the height would be measured. We have a d-overlay, but design guidelines are not sufficient to maintain the character of our neighborhood village.
10. Garrett Stephenson, Albertsons/Safeway: Several of our stores currently in general commercial are proposed to be CM2 or CM3 with a centers main street overlay. Would like these to be commercial employment without the overlay. We are trying to provide healthy affordable food, and keeping the sites expandable. The overlay will cause the sites to be non-conforming. The

new zoning limits access for vehicles and circulation and prohibit drive-throughs. We're requesting that the large retail commercial building set-back exemption be reduced to 40,000 square feet. *See written testimony.*

*Commissioner Smith:* I'm still struggling with the phrase "auto-accommodating". I'm trying to think about my own grocery shopping experiences. The NE Broadway store is very much auto-oriented. The recent renovation at the store on Barbur helped with achieving goals. What is it you think we can't accommodate?

Every property is different, and what we can afford to do on one we might not do on another. The zones we're asking for can accommodate this type of development. There has to be a market that would support the requisite level of investment. When we want to invest and add to the stores, it becomes more difficult with the proposed new zoning. We should allow commercial nodes to develop as the economics work out and to keep the zoning as conforming as possible.

11. Brian Hochhalter: Richmond neighborhood resident. I support the FAR requirement for mixed-use. Preservation of low-rise commercial. Downzoning here makes sense because the plans don't take into account north-south corridors. I also support creation of a SE Area Plan and support the Division Design Initiative Guidelines.
12. Debby Hochhalter: Preserve the vintage low-rise commercial areas. I do see both sides of this because some areas don't have that vintage feel, but some do, and those should be maintained. I would like to see density be shared throughout the city. Adopt the Division Design Guidelines and design review more generally.
13. Heather Flint Chatto, Division Design Initiative (DDI): We have been meeting over the past 2 years to develop guidelines. We support the inclusion of the Division Design Guidelines in the Division Plan. We support design review and an expanded design review commission and a SE Area Plan. Reducing the bulk of building is a key thing right now. We want density but are concerned we are moving away from our livability goals. *See written testimony.*
14. Linda Nettekoven, DDI: We recognize the hard work that has been put into the MUZ proposal. DDI is ongoing work of volunteers and de facto, Division has been a laboratory, and DDI has come about in light of that. Our recommendations try to reflect the experience. The low-rise vintage proposal was a last-minute strategy, and there wasn't enough discussion with specific corridors. *See written testimony.*
15. Marcy McInelly, DDI: Recommendations are partially addressed in the MUZ proposal. I urge you to not throw out the intention behind the design focus while we're struggling with an affordable housing issue. There is the FAR loop-hole and FAR to height mismatch. The MUZ proposal does mostly get this right. But now we're seeing big boxy buildings because height and FAR are about the same and the envelop is quite restrictive. We don't want uniform step-backs. Design is key, and FAR is not a representation of density. Reducing FAR doesn't mean you're reducing density. A better way to address density is to talk about the shape of the buildings. *See written testimony.*

*Chair Schultz:* The mismatch I'm seeing is what's being proposed and what's being built. Is it more appropriate to talk about stories versus height?

Yes, our recommendations include this. You have to get the height and FAR correct to get the shape right.

*Commissioner Spevak:* From the affordable housing side, I see the reasons for the proposals, but it seems like they mean we get less housing and it might be more expensive to build. Is there something that addresses this?

If you look at a building, it won't typically use all the allotted FAR. What we're seeing with the boxy buildings is that they have lots of interior light wells, but we'd like to see that variation reflected on the outside of the building.

16. Mark Whitlow, Retail Task Force (RTF)/ICSC: We've met with staff and have been discussing the proposal. Our concerns are three issues: (1) Affordable food and how to provide that citywide; this is the auto-accommodating zone issue. (2) Non-conformity and how to avoid creating it. (3) Drive-throughs and the prohibition/limitations. *See written testimony.*
17. Bob LeFeber, CRA/ICSC: Retail grocery firm that represents retailers of various sizes. The biggest concern is about with the growing population, how do we provide them with affordable goods? How can we have a complete community without affordable goods? Groceries and larger retailers want people to come by any means, but most will come by car. The only zone that accommodates this in the proposal is CE. *See written testimony and map.*

*Commissioner Smith:* Going back to the Portland Plan, I heard we want discount grocery stores and walkable neighborhoods. How do we get, for example, a Winco that will be on a streetscape where people won't be afraid to walk or bike to?

We have a new store at 82<sup>nd</sup> and Powell that will be the first Winco west of 82<sup>nd</sup>. We want to be sure we get it right. We want to solve this same question, and we are looking at "mini-Winnies" to help get at this. Grocery Outlet has been successful with this model of smaller stores in close-in locations.

18. Eric Hovee, RTF: We are requesting the BLI be refined in advance of the proposed MUZ to address concerns. Outside the Central City, Portland is under-retailed, particularly in East Portland. The city's food deserts are where building rents are often sub-par. While transit, walking and biking are on the rise, there is still 80 percent auto use. We should tie demonstration of more frequent transit and reduced auto use to determine where more development should happen. *See written testimony.*
19. Doug Circosta: Owns SW Macadam properties, which is currently CS, going to CM2. This is governed by the Macadam Plan District. In the current condition, we can't fully utilize the CS zone. When it moves to CM2, we can't take advantage of this, similar to the properties in proximity. Plan district guidelines are hindering us to take advantage of the options that may be provided. Are there other tools we can use?
20. Brent Ahrend, RTF/ICEC: We spoke about traffic impacts and the need for more affordable grocery and retail uses. Lots of the more affordable groceries have gone farther east. Lots of existing residents are driving out farther to get to the more affordable stores. *See written testimony.*
21. Garrett Stephenson, Powell-Glisan Associates: Owns four properties at 122<sup>nd</sup> and Glisan. One is proposed to CM3 and the others CM2. We would like these to be CE without the centers main street overlay. Existing drive-through use will become non-conforming. New zones will have maximum set-backs that the current buildings won't comply with. The centers main street overlay prohibits vehicle circulation areas to a transit street, and this is on two transit streets. There is a Safeway on this site, and it's a good example of a horizontally-oriented building. Please leave the record open for us to submit additional details. *See written testimony.*

22. Libby Albright: Can we incentive providing low-income housing or other housing for the homeless? *See video testimony.*
23. Ken Eiler: 3556-3568 on Hawthorne Blvd. We're talking about a 4-block area in a larger commercial district. Downzoning the small piece is inappropriate and is not supported by the CM1 criteria. This downzoning makes it difficult for small businesses to thrive going forward. *See written testimony.*
24. Carol McCarthy, Multnomah NA: We've attended all the MUZ meetings. Our business district should be CM1 in Multnomah Village with the d-overlay. CM1 designation is a better fit for our village and should be applied to our 250 CS properties. There is a need to clarify how height is measured in hilly areas. Height should be measured from the street level on the lower side, but it's not yet defined.
25. Doug Klotz: The 10-foot set-back is well-meaning but doesn't address all needs. The drive-through issues and CE rezoning requests from large grocery stores doesn't make sense to me. *See written testimony.*
26. Allison Reynolds, Killian Pacific: our Sellwood property is to be rezoned partially CM2 but part CM1 with an m-overlay. The proposed CM1 will make this undesirable for redevelopment. *See written testimony.*
27. Rick Michaelson: Thanks to staff for the work they've done. It works well on corridors, but I'm against EX to CM3 zone automatically. The areas should be looked at and evaluated individually.
28. Karen Karlsson, NWDA: Thank you to staff, who have been working with us for months. The wholesale EX to CM3 is something we also see as a problem. Would like to see some reconciling with the Plan District prior to the MUZ plan being finalized. *See written testimony.*
29. Thomas Karwaki, UPNA, North Portland Land Use Group: We have the continued concern with the health care overlay and mixed use. Specifically on mid-Lombard, there is some residential and some CM2, but we'd like to see more CM2 and even some CM3 in some areas to provide flexibility in size and height. We had concerns on mixed-use, but Council took care of those issues. *See written testimony.*

*Chair Schultz* closed oral testimony at 6:38 p.m. and extended written testimony until 5 p.m. on May 24 on the code amendments. The mapping components will continue until July 12 in the Composite Zoning Map.

## Discussion

Bill handed out the [low-rise storefront analysis document](#).

Eric reminded the PSC that we have a short work session on May 24 followed by a longer work session in June and a final work session and recommendation on July 12. Barry noted that some of the issues that were brought up by the PSC may be resolved by code or map actions.

*Commissioner Baugh* commented on the questions of plan districts and bonuses.

- Barry: There is a long list of potential code sections we may need to amend. The working premise of plan districts is that many of them provide additional height and FAR and bonuses in the current code. Our approach is that we'd honor the height allowances. We'd need to reconcile how the base and bonus FAR would fit or change with this.

- Eric: We have another project scoped that will look at the loose ends and plan districts. We want to be sure the base zones are on its way to adoption before we get into this work. This would happen after Inclusionary Housing amendments and updates.

*Commissioner Houck:* The Division Design Initiative has submitted specific recommendations regarding design, and I'd like to be more informed about what staff's reaction is. Of the things we've heard, this one is intriguing for me. I want to be more educated about these issues.

- Barry: DDI has been going for a long time and has lots of community input. We've been meeting with the group, and we're trying to find where their proposal and our base zone proposal have common ground. Ideas in the MUZ proposal such as using height and FAR to shape buildings and different building articulation are in concert. There is divergence in that the DDI has taken it further in terms of design guidelines that would be applied in a particular district. Some of this work would be useful to integrate and include in refined design standards at a later time.
- Eric: One of the things we've grappled with is that many different communities have had a process and preference for their street or area. But we are trying to match tools to similar situations citywide. So a question we've come up with is which ideas are applicable citywide.

*Commissioner Spevak:* What about the rezoning of the Division Corridor? This is history I'd like to understand.

- There was a Division main street / green street rezoning effort in the 90s. Much of the area had been a combination of CS and CN2 (lower-scale), and they were brought up to more even CS to create a more urban, pedestrian-oriented street.
- When we come back on May 24, we can layout the changes on Division and other strips over the past 20 or so years.

*Commissioner Rudd:* We heard concerns from grocery stores about becoming non-conforming. How much can you do in terms of remodeling a site or the interior without triggering non-conforming use related site upgrades/changes? And I'm concerned about the issue of affordable food. Is there a community benefit to tie into so you don't just allow groceries and end up with an expensive grocery store?

*Chair Schultz:* How do these specific properties relate to the non-conforming use? That would be helpful in looking at the grocery store issue.

*Commissioner Bachrach:* Can staff follow-up with Eric Hovee about a geographic analysis of where more affordable grocers are? And looking at where there is more transit and options as he suggested may be more useful.

- We have talked to the RTF, which reflects a number of changes in response to the conversations we've had to date. We can bring a map of transit service and frequency. Mode split is something we can look into as well.

*Commissioner Bachrach:* We heard about CM1 from lots of small business owners. How do we "get there from here"? I'd generally side with them and promoting density. I understand why it's on the table, but how will we resolve this? Are there design options we can look at or code tweaks that could help?

- We can have a robust conversation and look at the areas individually or other options we've looked at to see if we want to revisit these.

*Commissioner Houck shares Commissioner Bachrach's concerns.*

*Commissioner Smith:* Regarding where we are and aren't expanding design overlay areas, what's the logic for where we did and didn't? Other issues and questions I having coming out of today's session: EX to CM3 changes; height FAR match and how this affects building shape; in the CM1 issue, if there are places where there is alignment between property owners and neighbors, I'd suggest we keep it. If we're trying to preserve building stock in historic, maybe there is a better tool. I don't know if it's the height and FAR we need to use to preserve. The issue of grocery stores and auto-accommodating: I

think the correct question is about how we pace the conversions with additional density so all parties are well-served. This is tricky, but totally avoiding non-conformity results in no change, which isn't what we want.

*Commissioner Larsell* gave Barry a list of ideas a couple days ago. Today I was interested in the design review comments, and I'm not familiar with this tool. Why or how would you use this instead of zoning? This is a 101 for me. And I want to learn about how the bonus works with Inclusionary Housing.

Susan: We are going to set up some informal briefing session with staff in June so we can talk about Inclusionary Housing and bonuses and how those can work together. This is also part of the height and FAR question. And... the question of why we're taking height versus stories.

*Commissioner Spevak*: It would be helpful to understand the design review process and what may be coming with that project. I also feel a bit unprepared about CM3 versus employment zoning trade-offs and would like to know more about that.

- This is basically the current EX versus proposed CM3. It is important to know that CM3 allows a full range of employment uses.

*Commissioner Baugh*: The City was engaged in activities in North and then East Portland to get affordable grocery stores throughout the city. I'd like to get a sense of what those efforts looked like, what the bonuses were, what was put out for the project so if we look at other options we can see what's already been tried. We should see the maps of what TriMet is doing in terms of frequent service expansions over the next 5 years as well as the streetcar map.

*Commissioner Tallmadge*: Is industrial development in central employment restricted? I'm thinking about hazards and air quality.

- Lower-impact and lighter industrial is allowed. Heavier is typically not allowed in the EX zone, which we tried to mirror in CM3. Industrial service category, railroad yards and waste-related uses are not allowed in the EX zone, and we're proposing they are also not allowed in CM3.
- Manufacturing in Portland is mostly smaller-scale e.g. breweries and clothing manufacturing.

*Commissioner St Martin* is struck by harkening back to the streetcar era, but we are missing a forward-focused development versus restriction to current forms. Newer, good design can be built together with historic. How can we incorporate this architecture without limiting redevelopment of substandard buildings?

- In general, much of the Zoning Code is form-focused as opposed to style, which is fairly intentional. We are looking at heights and bulks and relationship to the street. At the base-zone level, we are forward-thinking and limit the amount of design guidelines and components in the code itself.
- We are dealing with base zones and parameters that are going to be applied citywide. We have developed plan districts where we allow additional design flexibility to achieve the more forward-focused design. So we do accommodate this, not in the base zones though. The one element that does get at this is for plan development review for large sites, you can go through design review and ask for more height above the base allowance.

*Chair Schultz* commented that we currently have zones that split mid-block where we're trying to increase density is increasing this tension. I keep struggling with this concept, and I'm not sure we've gotten it quite right. Can we rethink how we grow or step-down into the neighborhoods?

General recap of topics to discuss and that staff will provide more information about:

- Revisit the low-rise storefront proposal.
- Drive-through and auto-oriented allowances and non-conforming situations these could run into.
- Inclusionary zoning: We'll have briefing sessions about this and it will be a topic we can get into more depth into at the June work session.

- Building form questions.
- Transit service and where we're allowing for auto-oriented.
- What aspects of the DDI proposal were integrated and what aspects are still outstanding.
- Travel behavior and retailing.
- Design guidelines and where we've expanded the d-overlay.
- EX versus CM3 question.
- Circling back to the TDM requirements and how that relates to MUZ.
- Individual zone change requests: our intention is to pull this together, sort and organize so we can see what fits into the more thematic issues and how we can address those similarly (or not).
- Design elements as well as Design and Historic Landmarks commissions' testimony.

We will have other bureaus joining us (PDC and BDS and Housing) at the June 28 work session. There will be some suggested code changes based on the implementers' input.

### **Adjourn**

*Chair Schultz* adjourned the meeting at 7:28 p.m.

Submitted by Julie Ocken, PSC Coordinator