

August 8, 2016

Planning and Sustainability Commission 1900 SW 4th Avenue, Suite 7100 Portland, OR 97201

Members of the Planning and Sustainability Commission:

ATTN: CC2035 Testimony

Proposed Draft for review. While there are many proposed amendments to the zoning code that we amendments as follows: letter we offer a series of detailed amendments to the CC2035 Proposed Draft. Specifically we propose fully support, we think important issues remain that need further consideration. Attached to this cover Comprehensive Plan and Zoning Code, and has done an amazing job of preparing a reasoned CC2035 Central City Plan District. BPS undertook an extraordinarily difficult task of overhauling the We appreciate the opportunity to comment on the CC2035 Proposed Draft of zoning regulations for the

- Exhibit 1: Amend 33.510.200.E Floor Area Ratios
- Exhibit 2. Amend Map 510-2 Proposed Maximum Floor Areas
- Exhibit 3: Amend 33.510.263.B.1 Parking and Loading Access
- Exhibit 4: Amend 33.510.205.D.3 Intra-Subdistrict FAR Transfer
- Exhibit 5: Amend 33.510.205.C.2 Affordable Housing Bonus FAR
- Exhibit 6: Amend 33.510.244 Low-Carbon Buildings
- Exhibit 7: Amend Map 510-2 Base Heights
- Exhibit 8: Amend 33.510.263.A Purpose of Parking and Loading on Access Regulations
- Exhibit 9: Amend 33.510.205.C.2 Affordable Housing Bonus and Affordable Housing Fund
- Exhibit 10: Amend 33.510.243.B.1 Ecoroof
- Exhibit 11: Amend Map 510-4 Bonus Height

Sipo We look forward to working with you on these matters. Matthew Goodman, Vice President reg Goodman, Co-President Ø Chris Kopca, Asset Manager Mark Goodman, Co-President

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920 SW SIXTH AVE. • SUITE 223 • PORTLAND, OR 97204 PHONE: 503-489-2323 • Fax: 503-225-1168 Attached: Exhibits 1-11

DOWNTOWN Development Group LLC

Spur Central City Residential Development by Adding to **Residential Floor Area in Excess of the Initial 3:1 FAR Increase** 33.510.200.E an FAR Exemption for

 \triangleright actions to drive central city residential development. Policy 2.8 typifies this emphasis: Goals and Policies, which underlie the zoning code regulations, contain numerous policies and related central goal of CC2035 is to spur residential development in the Central City. The proposed CC2035

costs and locations. Support new housing opportunities for students, families and older adults. a broad range of needs, preferences, and financial capability in terms of different types, tenures, sizes, Create attractive, dense, high-quality affordable housing throughout the Central City that accommodates

development can be fostered without conflicting with other priorities -- it should be objectives must sometimes be weighed against other to provide policies to truly foster residential development. While residential development goals and active transportation, transit ridership, carbon reduction, and others. It is incumbent on the zoning code Central City residential development is also at the core of other regional and city objectives related to goals and objectives, where residential

residential development and/or making housing less affordable. fact, it runs contrary to CC2035 policies by adding cost to residential development -- thereby impeding While these FAR transfers may financially benefit those property owners, it serves no policy purpose. In properties to transfer FAR from, the developer must purchase this FAR from other property owners. 3:1 FAR increase, floor area can be obtained through FAR transfers. Unless the developer has other increase for residential development must come from the three priority FAR methods. But after the first Consistent with the policy emphasis on affordable housing and historic preservation, the first 3:1 FAR

development after the initial 3:1 FAR increase to be free of the added cost of purchasing FAR from other property owners. A better way to foster residential development is to allow residential floor area beyond the initial 3:1 FAR increase đ be exempt from the FAR transfer requirement. This would allow residential

through FAR – it controls bulk by height limits since there is no limit on the amount of increased FAR Mixed-Use Area (MMA). As an MMA, automobile congestion standards no longer apply to Central City overall higher densities in the Central City due to the Central City's recent designation as Multimodal the state Transportation Planning Rule (TPR). However, the TPR is no longer an impediment to allowing City districts will grow too large. In previous years this was a problem because it could violate aspects of that can be earned/transferred at a site. land use changes. Furthermore, the CC2035 Proposed Draft does not actually control building bulk The rationale for requiring FAR transfers appears to be a concern that the overall density of the Central

of CC2035: transfers, we propose the following amendments in bold and underlined text to subsection 33.510.200.E increased FAR after the initial 3:1 increase to be purchased from other property owners via FAR Given the policy emphasis on Central City development and the weak policy justification for requiring

33.510.200 Floor Area Ratios

Ē Exemptions. The following are exempt from the regulations in Subsections C...

3. In the CX, RX, and EX zones, floor area in excess of the base floor area plus the initial 3:1 increase in floor area at a site that is used for residential purposes does not count toward the maximum FAR for the site.

Amend Map 510-2 to provide a base FAR of 9:1 in the CX Zone in the West End Subdistrict

The West End Subdistrict is flanked by SW 9th and SW 14th between W. Burnside and Market Street.



north of SW Salmon and west of SW 11th that generally permitted mixed-use development similar to the 11th is RX. However, when the City adopted the West End Plan in 2002, it created an overlay for the area of the area north of SW Salmon and west of SW 11th as CX. Today the portion of the West End between SW 9th and SW 11th is zoned CX, while the area west of SW CX zone. The CC2035 Proposed Draft reinforces the mixed-use vision of the West End by rezoning much

Proposed Zoning of West End (Blue is RX and Pink is CX)



West End are different for the northern portion of the West End and the southern portion. For example: Consistent with the different zoning, the Central City 2035 Goals and Policies (Proposed Draft) for the

- north of SW Taylor Street, including office and retail opportunities in addition to residential." Policy 1.WE-1 "North of Taylor: Encourage a broad mix of land uses in the West End, particularly
- Policy 2.WE-5 "South of Salmon Street, encourage residential development as the predominant use; family housing supportive of families." to the north encourage it as a major component of new development. In particular, encourage multi-

mirrored the 9:1 FAR in the CX portion of the West End west of SW 9th residential and 9:1 if more than one-third of the development is residential. The 9:1 FAR expressly Salmon/W. Burnside and SW 11th/SW 14th Avenues has 6:1 FAR if less than one-third of a development is code. As shown, the area north of Salmon has a base FAR of 8:1, while the mixed use area between SW northern and southern portion of the West End. The figure below is from Map 510-2 in the existing With regard to the base FAR, the existing zoning code acknowledges the policy difference between the



Map 510-2 in Currently Effective Zoning Code

for the "surrounding" CX zone between SW 11th and SW 14th at 9:1; consistent with its existing FAR and the policy vision for the CX portion of the West End, it would be more appropriate to set the base FAR set the base entitlement to 8:1 [north of Taylor], similar to the surrounding areas to the south." Given the FAR for the portion of the West End CX zone between SW 9^{th} and SW 11^{th} base FAR north of Taylor on page 48 of the CC2035 Proposed Draft as follows "Staff proposes instead to northern and southern portions of the West End. Staff explains its reason for the proposed downsized Proposed Draft), the CC2035 Proposed Draft did not take into account the policy difference between the However, in setting the base FAR for the entire West End west of SW 11th at 8:1 (Map 510-2 in CC2035

Accordingly, we recommend:

as 9:1. Amending Map 510-2 to provide a base FAR in the CX zone of the West End west of SW 11th Avenue

and Washington where a lane of SW 1st Avenue is physically separated from the LRT alignment Amend 33.510.263.B.1 to not prohibit parking and loading access on SW 1st Avenue between SW Stark

and SW Washington, which is not properly accounted for in the code language. operates on SW First Avenue. However, a unique situation exists at SW 1st Avenue between SW Stark loading along SW First Avenue between NW Davis Street and SW Morrison, the segment where light rail The Review Daft added PCC 33.510.263.B.1.f, which prohibits motor vehicle access to parking and



Bridge ramps adjacent to SW Washington. the light rail alignment due to the grade change as the light rail alignment dips below the Morrison As shown below, the auto circulation lane on SW 1st Avenue at this location is physically segregated from



operations in any way, and may lead to using alternative access ways that are less desirable based on loading access on SW 1st Avenue between SW Stark and Washington does not facilitate light rail SW 1st Avenue in this location may be preferable than using SW 2nd or SW Stark, which are Major City Stark and Washington would not impair light rail operations. Moreover, parking and loading access on City objectives. loading access, and can only be accessed by SW 1st Avenue anyway. So overall, prohibiting parking and Bikeways. The physical alignment of SW Washington in this location may not be ideal for parking and Because it is physically separated, allowing parking and loading access on SW 1st Avenue between SW

Thus, we recommend that PCC 33.510.263.B.1.f be amended as follows:

B. Parking and loading access standards.

- \mathbf{H} prohibited on or along the following streets unless it is the site's only frontage, in which Motor vehicle access to or from any parking or loading area, or parking structure is case it requires an adjustment
- SW Stark and SW Washington. On 1st Ave between NW Davis Street and SW Morrison Street, except between

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Amend 33.510.205.D.3 to facilitate the acquisition of additional floor area in the West End Subdistrict after the initial 3:1 floor area increase

priced FAR for West End Subdistrict development to accomplish the City's objectives for the subdistrict. We are concerned that the proposed regulations will not provide a sufficient amount of reasonably

within a subdistrict (33.510.205.D.2)" option. acquire additional floor area above 3:1 in the West End Subdistrict will be the "transfer of floor area very limited supply of floor area given the needs of the Central City. This means the primary way to But given the seismic upgrade pre-requisite and the low FAR on many historic sites, we believe this is a The Historic Resource transfer option (33.510.205.D.1) is the only Central City-wide floor area source

unduly high. As a result, the City's vision for the subdistrict may not be achieved. for intra-subdistrict transfers. Given the limited supply of transferrable FAR, the price for FAR could be currently used by surface parking lots or underdeveloped properties, further reducing the FAR available been transferred, making unavailable for future development. A large share of the subdistrict is West End is the smallest, by area, of the core Central City subdistricts. Some West End FAR has already Unfortunately intra-subdistrict FAR transfers may not work as intended in the West End Subdistrict. The

below: Accordingly, we suggest amending the proposed 33.510.205.D.3 as shown in bold underlined text

floor area earned through a bonus that no longer exists in the zoning code, may be transferred following restrictions... between sites in the University District/South Downtown and the Downtown subdistricts and 3. Transfer of floor area between subdistricts. Floor area, including bonus floor area and bonus between the West End and the Downtown subdistricts. Floor area transfers are subject to the

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that are fully or primarily affordable housing projects Amend 33.510.205.C.2 to leverage the benefit of the affordable housing bonus for developments

housing. Project") if at least 50% of its entire floor area in the development is dedicated to 80% MFI affordable projects. We define here a project to be primarily an affordable housing project ("Affordable Housing be greatly enhanced by adding flexibility for projects that are fully or primarily affordable The ability of the affordable housing FAR bonus in the Review Draft to leverage affordable housing can housing

generally require additional financial subsidies. Thus the affordable housing bonus FAR provision in the developments that are Affordable Housing Projects; however in the Central City these projects will still code requirements. Thus the affordable housing FAR bonus will for the most part only be useful to earning less than 80% MFI. The current proposal requires that 25% of the bonus FAR must be used for but little else. Review Draft helps an Affordable Housing Project in acquiring additional FAR for itself, if it is needed, housing due to the administrative requirements and costs associated with certifying it complies with the most part it is impractical to do a residential development that has a small percentage of affordable affordable housing; this is generally a small percentage of the total floor area in the development. For A primary goal of the bonus FAR regulations is to spur the development of housing affordable to those

be earned by an Affordable Housing Project and allow the affordable housing bonus FAR not used by the enhanced. Specifically, we suggest the affordable housing FAR bonus should allow more bonus FAR to whole or part their initial 3:1 FAR increase. Affordable Housing Project to be transferred to any other developments in the Central City to meet in With some tweaking, the efficacy of the affordable housing bonus FAR provision can be greatly

We see this potentially helping in several ways:

- affordable housing bonus FAR in the Review Draft, the proposal below eliminates the need to For a large Affordable Housing Project that needs more FAR than the base FAR plus the Project. purchase FAR and add cost (and the need for additional subsidy) for the Affordable Housing
- subsidy. Project and, thereby, reduce or eliminate the need for the limited amount of available public FAR, the proposal below generates funding that can be used to develop the Affordable Housing For Affordable Housing Projects that do not need the full amount of affordable housing bonus
- initial 3:1 FAR increase the affordable housing requirement more practical, while still meeting requirements for the having small amounts of affordable housing in several buildings, making the administration of consolidation of affordable housing floor area into one Affordable Housing Project, rather than For developers of multiple Central City properties, the proposal below allows for the

Accordingly, we recommend amending 33.510.205.C.2 as follows:

to 3 to 1 FAR can be earned if at least 25 percent of the increased floor area is dedicated to housing will receive bonus floor area. Except for as provided in subsubparagraph (3) below, up To qualify for this bonus option, the following requirements must be met: housing affordable to those earning no more than 80 percent of the area median family income. a. Affordable housing bonus option. Proposals in the CX, EX, and RX zones that include affordable

is not required in order to apply for a land use review. development meets the standards of this Paragraph and any administrative requirements. The letter is required to be submitted before a building permit can be issued for the development, but (1) The applicant must provide a letter from the Portland Housing Bureau certifying that the

created using this bonus will remain affordable to households meeting the income restrictions administrator for 60 years. and meet the administrative requirements of the Portland Housing Bureau or qualified requirements of Section 33.700.060. The covenant must ensure that affordable dwelling units (2) The property owner must execute a covenant with the City that complies with the

<u>qualify for this bonus option, the requirements in subsubparagraph (2) and (3), above, must be</u> described in 33.510.205.B.1.b. first 2:1 floor area increase described in 33.510.205.B.1.a and the next 1:1 floor area increase used by the receiving site to satisfy the requirements for any floor area increase including the met. Unused bonus floor area can be transferred to sites within the Central City and can be housing affordable to those earning no more than 80 percent of the area median family income, the affordable housing bonus shall be equal to 75% of the floor area dedicated to housing affordable to those earning no more than 80 percent of the area median family (3) If a proposal is in the CX, EX, or RX zone and at least 50% of the floor area is dedicated to income. There is no maximum to the amount of bonus floor area that may be earned. To

equivalent standards Amend 33.510.244 (Low-Carbon Buildings) to allow for low-carbon certification by LEED and

constitutes equivalency, or can enumerate specific equivalent certifications. equivalent certifications. To the extent it is necessary, BPS can issue administrative rules describing what developers to financially engage only one enterprise by name. The zoning code should allow for Design (LEED) standards. It does not seem appropriate to have the zoning code require Central City certifications that are equivalent to US Green Building Council's Leadership in Energy and Environmental Several respected organizations are now operating that perform green/low-carbon building

Thus, we recommend in bold and underlined text the following amendments to 33.510.244:

33.510.244 Low-Carbon Buildings

protecting the health of the occupants. equivalent standards include improving energy efficiency, preserving natural resources, and equivalent standard by another certifying organization. The benefits of meeting LEED or Leadership in Energy and Environmental Design (LEED) standards at the gold level or meet an existing buildings are designed and constructed to meet the US Green Building Council's A. Purpose. The low-carbon buildings standard ensures that new buildings and additions to

project checklist showing which LEED or equivalent credits will be pursued for the building. standard by another certifying organization and prepared a preliminary LEED or equivalent verifies that the project has registered to earn LEED gold level certification or an equivalent 50,000 square feet must provide a letter from the Bureau of Planning and Sustainability that square feet, and alterations to existing buildings that increase net building area by at least B. Low-carbon building standard. New buildings with a net building area of at least 50,000

limit Amend Map 510-2 to provide a base FAR for site at 87 SW Stark commensurate with increase height

district are proposed to have a 9:1 FAR. base FAR of 4:1, similar to sites that are in the historic district. Abutting properties outside of the historic CC2035 Proposed Draft provides a maximum height with bonus of 250 feet, but continues to propose a The half block site at 87 SW Stark is located just outside of the Skidmore/Old Town historic district. The

Accordingly we recommended the following amendment to the proposed code: We think that to be consistent with the updated height limit for the site, the site should have a 9:1 FAR.

۲ Amend Map 510-2 to increase the proposed Maximum FAR for the site at 87 SW Stark from 4:1 to 9:1.

Amend 33.510.263.A to Clarify Purpose of Parking and Loading on Access Regulations

33.510.263.A states the purpose of these regulations: access to a building (parking or loading) and where such access is "not allowed." CC2035 Proposed Draft CC2035 Proposed Draft 33.510.263 determines which Central City streets are "prohibited" from having

safety and the efficient function of the transportation system, including the need both sides of the streets will be considered and protected. On blocks where transit stations are located, the pedestrian environment on protected bikeways. A driveway is not automatically considered such an impact. circulation, and shall not preclude the future construction of facilities such as adverse impacts on operation and safety of pedestrian, bicycle, or motor vehicle adverse impact on transit operations. Parking access shall be designed to avoid the tracks of a light rail or streetcar alignment, and to avoid any other significant vehicles can enter and exit the parking facility without being required to cross for reasonable parking access. Parking access shall be designed so that motor a. Purpose. The purpose of restricting the location of parking access is to ensure

the standard for permitting access onto the street. preclude the future construction of facilities such as protected bikeways." This phrase becomes part of standard for such approval includes whether the proposed access location meets the "purpose" of the regulation. The concern with the purpose language in 33.510.263.A focuses on the phrase "and shall not access is 'not allowed' need discretionary approval of the access location. Under 33.805.040.A, the several sites have all frontages in one or more of these categories. Development on block faces where Many Central City sites that have multiple street frontages where access is prohibited or not allowed,

about the need for reasonable parking access. whatever and wherever these facilities are, the proposed access is not precluding it. Will access be change over time, as reviewers change. The developer will be stuck in the middle having to prove that are no specifications in the code, these judgments are left to the reviewer. And those judgements will expansion? Where will these facilities will be? What is their design? When will they be built? Since there language, the purpose statement becomes unworkable. The purpose statement needs to be clearer permitted on any of these street frontages, or will they fail the standard? By using such wide-open Does that mean unprotected bikeways are part of the standard or not? Future bus stops? Sidewalk The proposed language provides no specific plan or definition of "facilities such as protected bikeways."

Thus, we recommend the following amendment to CC2035 Proposed Draft 33.510.263.A:

safety and the efficient function of the transportation system, including the need having reasonable parking access capable of handling its full entitlement of a. Purpose. The purpose of restricting the location of parking access is to ensure the development. parking spaces under the zoning code without adding excessively to the cost of or reasonable parking access... No development shall be precluded from

affordable housing bonus and the calculation of the fee for the affordable housing fund bonus Amend 33.510.205.C.2 to provide a more complete description of the eligibility requirements for the

essential policy choices to administrative rules; and by doing so do not provide clear and objective standards that are only amendable in accordance with land use laws. The proposed code leaves vulnerable to changing interpretations. Moreover, the zoning code must provide clear and objective standards for either the affordable housing bonus of the affordable housing fund bonus. bonus in the Given the central importance placed on the affordable housing bonus and the affordable housing fund proposed code, the proposed code must be clear about its requirements and not

To fix this, we believe 33.510.205.C.2.a should be amended to more completely describe:

- affordability, it is not sufficient. Code should describe how the 80% MFI tables are applied to How affordability is measured under the code. While "80% MFI" is a key parameter in defining consideration). rental and for-sale units (i.e.; when and how household size and apartment size are taken into
- the area included in the 25% calculation (i.e.; does it include a proportionate amount of circulation/common area or just the internal dwelling unit space). least 25% of increased floor area to be dedicated to affordable housing, but does not describe The building area comprising affordable housing square footage. The proposed code requires at

fee? If not, how will the fee be calculated? Is it some calculated benefit to the developer of the FAR square foot that appears to escalate with inflation. Is that what is proposed here? If so, what is the initial existing Affordable Housing Replacement Fund bonus option (33.510.210.C.15) has a stated cost per affordable housing fund fee will be calculated. This can but does not necessarily require a precise these details. else? What are the basic parameters in the calculation? 33.510.205.C.2.b should be amended to provide increase, an estimate of the subsidy requirement needed for building affordable units, or something formula, but could also include a description of the basic principles or factors. For example, the currently We also believe the CC2035 Proposed Draft 33.510.205.C.2.b should further describe how the

Amend 33.510.243.B.1 (Ecoroofs) to better accommodate roof-level active use decks

about how roofs may be used or designed. The proposed code needs to provide more flexibility for the design and size of roof-top amenities. requirements in the code are set in stone and cannot be adjusted. This presumes too much certainty by potential tenants. Because the proposed code uses the term "must," the ecoroof coverage design/layouts that may not apply in specific circumstances. Roof-top decks are a much desired amenity coverage in the current draft code. However, the regulation is still based on assumptions of future roof To better allow for roof-deck active areas, BPS slightly reduced the required percentage of ecoroof

Thus, we recommend that 33.510.243.B.1 be amended as follows:

ecoroof that meets the following standards: B. Ecoroof standard. In the CX, EX, RX, and IG1 zones, new buildings with a net building area of at least 20,000 square feet must, unless otherwise approved through an adjustment, have an

include areas covered by solar panels, skylights or mechanical equipment, or areas used 1. The ecoroof must cover at least 60 percent of the roof area. Roof area does not for fire evacuation routes

motorists Street (CC SW24); a viewpoint that is not used and cannot be safely used by pedestrians, bicyclists, or Maximum heights on several downtown sites were unduly lowered to allow views from Upper Hall

is proposed to be removed from the protected list due, in part, to its lack of use by the general public. protected view as if Mt. Hood. However, as part of the proposed CC2035 Scenic Resource Plan, this view to justify protecting it as a viewpoint. Interestingly when it was first identified as a viewpoint, the While the Upper Hall Street viewpoint is highly ranked for its scenic quality, it fails to meet other criteria

Part 2: Scenic Resources Inventory; Proposed Draft; June 20, 2016) lanes, or transit access, and incomplete sidewalk." (Volume 3A SCENIC RESOURCES PROTECTION PLAN Scenic Resource Plan notes: "Viewpoint access is limited due to its remote location, lack of parking, bike viewpoint. But the basic problems with is viewpoint remain the same, as the City's evaluation in the Rather than declassify the viewpoint entirely, the CC2035 proposes to protect a different view from this

arrow it is simply the stub-end of an incomplete sidewalk where vegetation blocks views. pedestrian access that sits at the beginning of a hairpin curve. There is no viewpoint, as shown by the As you can see below, the viewpoint sits at the end of a sidewalk that does not provide continuous



west side of Upper Hall is the sidewalk does is used, to the limited extent either sidewalk is used. on neither side of Upper Hall are used by pedestrians very often; and the continuous sidewalk on the vicinity should be disallowed, for it makes the hairpin turn even more difficult and unsafe. The sidewalks directions to avoid cars coming from the other direction, as one makes the hairpin turn. Parking in this The hairpin turn is, for the most part, a blind turn for motorists. Extreme care is required in both

As a result of its location, the City evaluation gave it gets a zero rating for developed as a viewpoint, access to viewpoint, and use as a viewpoint.

The two illustrations below further highlight how unsafe and unusable this viewpoint is

viewpoints is where the arrow points behind the vegetation. This view of Upper Hall shows the view point from the bottom of the hairpin turn looking up. The



public use. The aerial view below further shows the isolated nature of the site, and its inaccessibility for general

Google Maps SW Upper Hall St



The City's evaluation regarding the economics of protecting this viewpoint is also incorrect. The evaluation in the Scenic Resource Protection Plan concludes "Due to the elevation of the viewpoint, City Scenic Resources Protection Plan: Proposed Draft, Summary, Results and Implementation; June 20, there is minimal economic impact from protecting the views of Mt Adams and Mt St Helens." (Central

a swath of reduced development capacity through the West End and Downtown subdistricts. 2016, page 91). As shown in the "480 Maps" prepared by the City, protection of this viewpoint results in



amended to include Bonus Heights that do no reflect the viewpoint, as originally proposed in the Upper Hall Street viewpoint no longer be a protected viewpoint and as a result that the Map 510-4 be Discussion Draft, and shown below. As a result, of its lack of access, unsafe location, lack of use, and economic impacts, we suggest that the



Map 510-4 from CC2035 Discussion Draft