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Portland, Oregon 97201

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

Members of the Planning and Sustainability Commission:

ATTN: CC2035 Testimony

We thank you for the opportunity to comment on the CC2035 Review Draft. Oregon Pacific Investment and Development Company is a local real estate investment, development and management firm with several holdings in the Central City, including two significant redevelopment opportunities in the University Subdistrict that are critical to revitalizing the neighborhood.

We have reviewed the Review Draft from both the perspective of the properties we own and from the broader perspective of the Central City as a whole. Attached to this cover letter we provide our comments the proposed Central City Plan District regulations (33.510). We recommend amendments to the following portions of the Review Draft:

- Map 510-2 Maximum FAR
- Map 510-3 Maximum Height
- 33.510.205 Floor Area Bonus and Transfer Options
- 33.510.210 Height

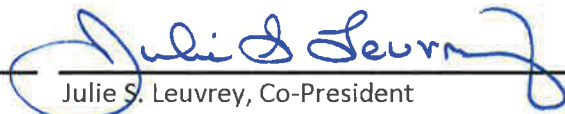
While we are providing specific comments on the Review Draft of the Code, we do that without knowing how the future inclusionary zoning requirements interact with the proposed zoning code. We believe this should be clarified before advancing the preparation of the new zoning code any further.

Thank you for your attention to our issues.

Sincerely,



Randy W. Lovre, Co-President
Oregon Pacific Investment and Development Co



Julie S. Leuvrey, Co-President
Oregon Pacific Investment and Development Co

Attached: Comments and Proposed Amendments to the Review Draft

Attachment

Comments and Proposed Amendments to the Review Draft

1. Amend Maps 510-2 and 510-3 to Increase Base FAR to 6:1 and Base Height to 100 feet for the entire site at 2075 SW 1st Avenue

The subject site is a 1.77 acre site located at the northwest corner of SW 1st and Lincoln ("1st/Lincoln"). 1st/Lincoln is at the southeast corner of an almost 8 acre superblock bounded by SW Lincoln, SW Harrison, SW 4th and SW 1st.

Corner of SW 1st and SW Lincoln Street

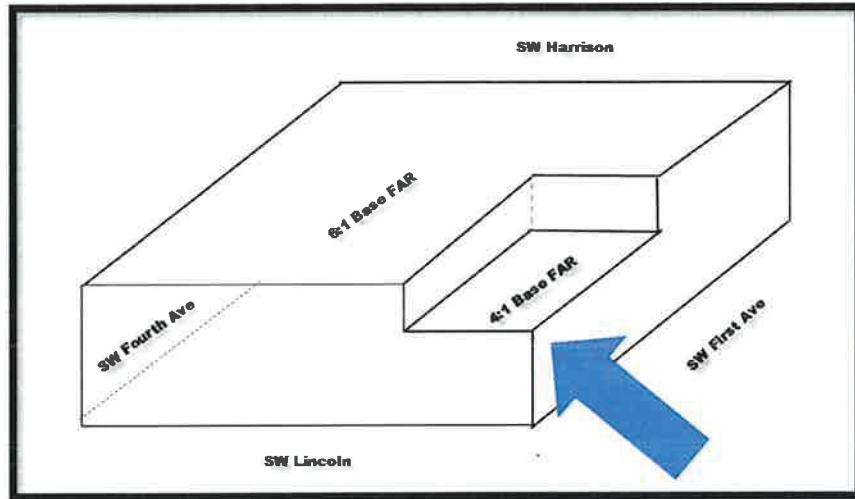


Base FAR Map Showing Site and Surrounding Area



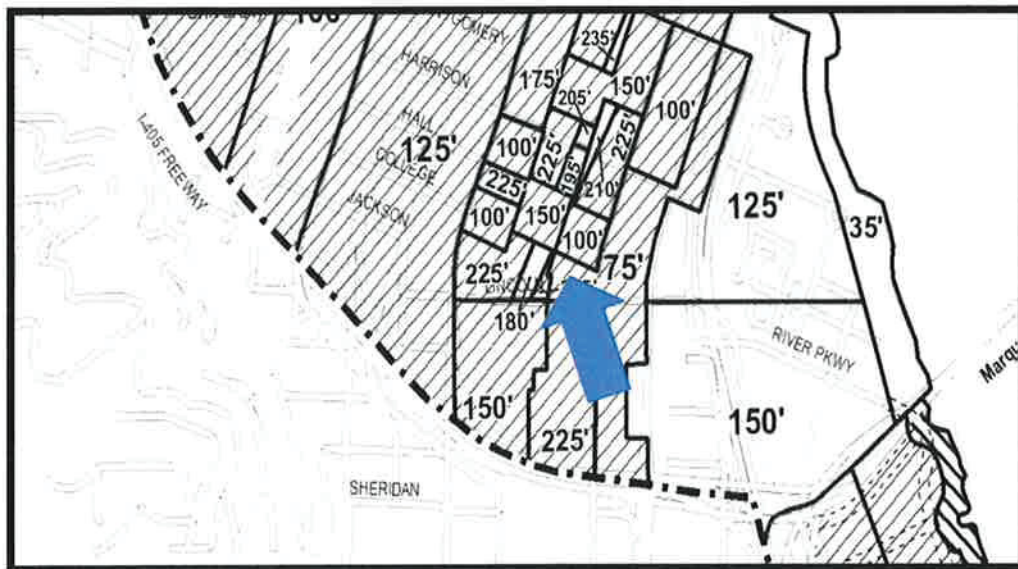
In the Review Draft of the Central City Plan District, the entire superblock is provided a base FAR of 6:1 with the sole exception of our site on the northwest corner of SW 1st and Lincoln which is given only a 4:1 FAR. All sites located west of SW 1st and north of SW Lincoln in the University District have a 6:1 FAR except for our site at 1st/Lincoln.

**Base FAR on Superblock bounded by SW Lincoln, SW Harrison, SW 4th and SW 1st
 Illustrating Anomalous FAR Proposed for Site**



The base height limits (Map 510-3) for 1st/Lincoln are also uniquely low, the southern half of the block has a base height (without bonus) of 75' and the northern half has a base height of 100'. Areas on the superblock abutting 1st/Lincoln have maximum heights of 150' to 225'. All sites west of SW 1st and north of SW Lincoln in the University District have a higher height limit than the southern portion of 1st/Lincoln, even including the park blocks on the PSU campus.

Map 510-3



There is no apparent policy justification for the exceptionally low base FAR or base height on this site, if anything Central City and University District policies support higher densities on the site.

2. Amend Map 510-2 to Increase Maximum FAR for the subarea in the University District bounded by SW Mill, SW Jackson, SW 4th, and SW Broadway from 6:1 to 9:1

The subject subarea encompasses about 14 blocks surrounding the southern end of the light rail alignment near PSU. It is bounded by SW Mill, SW Jackson, SW 4th, and SW Broadway. For these comments, it is referred to as the “South Mall Subarea” or “Subarea”. The Subarea currently has a 6:1 FAR, which the Review Draft retains as 6:1 (Map 510-2). The Maximum Height (Map 510-3) for the Subarea is 125’. However, the maximum height including bonus height is 460’, the maximum height limit in the Central City except for US Bank Tower.

By giving the South Mall Subarea the maximum bonus height limit, the Review Draft responds to Policy RC2 in the Adopted West Quadrant Plan. Noting that the Transit Mall was operationally extended to the Subarea when the MAX Green Line was added, Policy RC2 explained: *“The density of transit infrastructure along the Transit Mall makes it the ideal location for the densest and tallest development in the City of Portland.”*

To further implement this updated vision for the South Mall Subarea, the Review Draft proposes to rezone the current RX portion of the Subarea to CX. All of the other subareas in the Central City zoned CX and having a 460’ height limit (Map 510-4), including sites more distant from the transit mall than the South Mall Subarea, have a 9:1, 12:1, or 15:1 FAR (Map 510-2). Consequently, while the vision for the Subarea parallels these other high density locations, the Review Draft proposes FARs for these other locations that are 50% to 150% higher than the Subarea.

We think that to be consistent with the updated vision, zoning, and height limit for the South Mall Subarea, the Subarea should have at least a 9:1 FAR.

3. Amend 33.510.205.C.2 to better detail the eligibility requirements for the affordable housing bonus and the calculation of the fee for the affordable housing fund bonus

33.510.205.C.2 describes in relevant part the affordable housing bonus as follows:

- a. *Affordable housing bonus option. Proposals in the CX, EX, and RX zones that include affordable housing will receive bonus floor area. Up to 3 to 1 FAR can be earned if at least 25 percent of the increased floor area is dedicated to housing affordable to those earning no more than 80 percent of the area median family income. To qualify for this bonus option, the following requirements must be met:*
 - (1) *The applicant must provide a letter from the Portland Housing Bureau certifying that the development meets the standards of this Paragraph and any administrative requirements...*

Given the central importance placed on affordable housing in the proposed code, the proposed code must be clear about its requirements and not vulnerable to changing interpretations. We think Paragraph 205.C.2, above, is insufficient in both regards. We are lead to assume that “affordable” will be defined and measured, at least for rentals, as it is for the multiple unit tax exemption (MULTE). However, the proposed code makes no such mention. Moreover, the zoning code must provide clear and objective standards that are only amendable in accordance with land use laws; administrative rules

do not have the same requirements. To fix this, we believe 33.510.205.C.2 should be amended to more completely describe:

- How affordability is measured under the code. While “80% MFI” is a key parameter in defining affordability, it is not sufficient. Code should describe how the 80% MFI tables are applied to rental and for-sale units (i.e.; when and how is household size and apartment size are taken into consideration).
- The building area comprising affordable housing square footage. The proposed code requires at least 25% of increased floor area to be dedicated to affordable housing, but does not describe 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).

33.510.205.C.2 describes in relevant part the Affordable Housing Fund bonus as follows:

b. Affordable Housing Fund bonus option. Contributors to the Affordable Housing Fund (AHF) receive bonus floor area. Up to 3 to 1 FAR can be earned by paying into the fund. For each square foot purchased a fee must be paid to the Portland Housing Bureau (PHB). The Portland Housing Bureau collects and administers the Affordable Housing Fund, and PHB determines the fee per square foot and updates the fee at least every three years....

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