



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