1. Legal Ad

   Documents: PB LEGAL AD 6-23-15.PDF

2. PB Agenda 6-23-15

   Documents: PB AGENDA 6-23-15.PDF

3. Housing Incentives

   Documents: HOUSING INCENTIVES (MEMO AND ATTACHMENTS).PDF

4. India Street Form Based Code

   Documents: INDIA STREET (MEMO AND ATTACHMENTS.PDF

LEGAL ADVERTISEMENT
PORTLAND PLANNING BOARD MEETING

The Portland Planning Board will hold a meeting on Tuesday, June 23, 2015, Council Chambers, 2nd Floor, City Hall, 389 Congress Street. **Public comments will be taken at this meeting.**

Afternoon Workshop – 4:30 p.m.

i. Housing Incentives (6:00 – 7:00 p.m. - estimated time) The Board will consider the following Land Use Code text amendments: 1) Division 30 (Affordable Housing) to increase the density bonus for providing affordable units and to add a section requiring inclusion of workforce housing units in developments of 10 units or more; 2) Division 6 (R-5 Residential Zone) Section 14-117 to modify the standards for accessory dwelling units in pre-existing buildings; and 3) Division 7.2 (IR-2 Island Residential Zone) and Section 14-145.9 to modify the standards for accessory dwelling units. The Board will consider a map amendment to the Downtown Height Overlay Map to increase the maximum building height from 45' to 65' in the vicinity of York, Maple and Danforth Streets.

Evening Workshop – 7:00 p.m.

ii. India Street Form Based Code. (7:00 p.m. estimated time) The Board will consider a proposal to rezone the India Street Neighborhood from the existing zoning to a Form-based Code and its relationship to historic preservation.

STUART O'BRIEN, CHAIR - PORTLAND PLANNING BOARD

CITY OF PORTLAND, MAINE

PLANNING BOARD

AGENDA
PORTLAND PLANNING BOARD MEETING

The Portland Planning Board will hold a meeting on Tuesday, June 23, 2015, Council Chambers, 2nd Floor, City Hall, 389 Congress Street. **Public comments will be taken at this meeting.**

(THERE IS NO PUBLIC HEARING PORTION OF THIS MEETING)

AFTERNOON WORKSHOP – 4:30 p.m.

i. Housing Incentives (4:30 p.m. - estimated time) The Board will consider the following Land Use Code text amendments: 1) Division 30 (Affordable Housing) to increase the density bonus for providing affordable units and to add a section requiring inclusion of workforce housing units in developments of 10 units or more; 2) Division 6 (R-5 Residential Zone) Section 14-117 to modify the standards for accessory dwelling units in pre-existing buildings; and 3) Division 7.2 (IR-2 Island Residential Zone) and Section 14-145.9 to modify the standards for accessory dwelling units. The Board will consider a map amendment to the Downtown Height Overlay Map to increase the maximum building height from 45' to 65' in the vicinity of York, Maple and Danforth Streets.

EVENING WORKSHOP – 7:00 p.m.

i. India Street Form Based Code. (7:00 p.m. estimated time) The Board will consider a proposal to rezone the India Street Neighborhood from the existing zoning to a Form-based Code and its relationship to historic preservation.

STUART O'BRIEN, CHAIR - PORTLAND PLANNING BOARD

Jeff Levine, AICP
Director, Planning & Urban Development Department

Memorandum

To: Planning Board

From: Tyler Norod, Housing Planner
Jeff Levine, Director of Planning & Urban Development

Date: June 23, 2015

Re: Package of "Encourage and Ensure" Housing Amendments

The City Council has a standing goal of "provid[ing] increased availability in all segments of the housing market while insuring that there is a suitable balance of housing opportunities among those sectors" (*see* **City Council Common Goals and Objectives 2014.**) One implementation item from that goal is to explore an inclusionary zoning ordinance. Another implementation item is to recodify sections of the zoning ordinance to encourage additional housing development.

Based on those goals, the Housing and Community Development Committee (HCDC) of the Council took up a set of interrelated changes to City Ordinances that come out of those implementation items. This set of changes has become known as the "encourage and ensure" set of amendments. The HCDC voted to have staff finalize this package and forward it to the City Council for consideration. As these changes relate to the Land Use Code, they are before the Planning Board.

The Planning Board is asked to look at this package of changes and forward a recommendation (or a lack of recommendation) to the City Council for their consideration when they take up this package of amendments. The goal is to have the Council take up this package by the fall of 2015.

The amendments before you, as further described in Attachment A, are as follows:

1. Changes to the Downtown Height Overlay Map to increase allowed heights in some areas around York and Danforth Streets from 45' to 65'.
2. Changes to the Accessory Dwelling Unit (ADU) language for the IR-2 island residential zone to allow ADU's on more parcels, provided certain conditions are met;
3. Changes to the Accessory Dwelling Unit language for the R-5 zoning district to allow more use of existing building space for ADU's; and
4. Changes to Division 30 that:
    a. Clarify terminology related to affordable housing;

b. Expand density bonuses for developments providing affordable housing; and
c. Require that new developments of 10 or more units restrict at least 10% of the units to be affordable to those making 100% - 120% of the area mean income (AMI) or below (currently $77,100 - $92,760 for a family of four) or contribute a fee-in-lieu of $100,000 per unit to the City's Housing Trust. These developments could also be eligible for a 25% density bonus and consideration for Affordable Housing Tax Increment Finance (TIF) funding.

Background

Like many urban centers across the country, Portland is becoming a more attractive place to live, work, and play. Significant community benefits often occur from renewed interest in urban centers including improvements to the local economy, increased employment opportunities, and enhanced safety. However, the pressure to grow can be a double edged sword for Portland's current and future residents. One of the most common side effects of this progress is the escalation of housing costs. These costs often grow out of reach of a significant portion of the existing populace. In addition, escalating housing costs can severely limit an area's ability to attract future residents including much needed entry level professionals and service sector workers. As such, addressing Portland's housing gap is more than a simple housing issue. Access to affordable housing can also impact Portland's future economic competitiveness to attract and retain the necessary human capital to support growth.

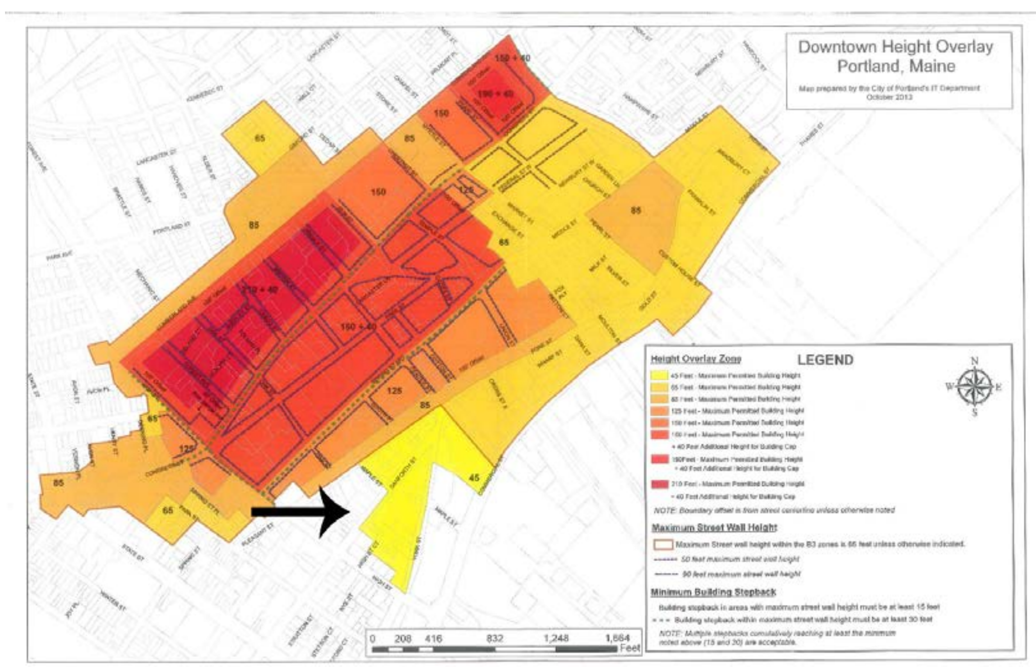
A recent 2030 Workforce Housing Demand report assembled by the Greater Portland Council of Governments (GPCOG) discussed the growing gap between what workforce households earning 80% - 100% AMI can afford and what the market is producing. If this trend continues the GPCOG report predicts a 24% - 33% gap in the supply of workforce housing by 2030. According to a 2013 Population and Housing Market Analysis by Sustain Southern Maine (SSM) and GPCOG one in three renters in Portland are currently cost burdened. Being cost burdened is defined as paying more than 35% of a household's income in rent. This is particularly evident in certain neighborhoods on the peninsula where the effects of gentrification are beginning to take root. Portland is nearing a critical juncture where it risks losing economic and social diversity within certain neighborhoods. This is only compounded by the fact that every unit of luxury housing that is built brings with it the need for more workforce housing for those who will ultimately provide the bulk of the services created by increased investment in and revitalization of the community.

To address the growing concern of access to affordable housing for Portland's workforce the City has been working to development a new "Encourage and Ensure" policy that offers a number of tools to incentivize and mandate the development of workforce housing. These include density bonuses, modifications to the existing zoning code to allow for greater residential density, and revisions to Division 30 to provide for inclusionary zoning. Unfortunately, there is no silver bullet. A number of policy changes will need to work in concert in order to have a balanced and well-rounded effect on the shortage of workforce housing. By doing so the City hopes to provide a thoughtful solution sensitive to the existing character of the neighborhoods while limiting any adverse impacts.

Items before the Board

1. *Changes to the Downtown Height Overlay Map to increase allowed heights in some areas from 45' to 65'*

There is an area of the downtown height overlay near York and Danforth Streets that is zoned to allow a maximum height of only 45 feet. This area was recently rezoned to allow for mixed-use development and the height was examined at that time. The HCDC is asking that the height in this area be increased to 65 feet to allow for greater housing development. Staff is recommending that any change in height from 45 feet to 65 feet be focused on the block between Danforth, York, and High as shown in the map below. The other areas include existing buildings with significant character that should be preserved or expanded without the potential pressure from increased height to demolish any structures.



2*. 2. Changes to the Accessory Dwelling Unit (ADU) language for the IR-2 island residential zone to allow ADU's on more parcels, provided certain conditions are met.*

A Peaks Island organization called HomeStart has been seeking changes to the ADU language on Peaks Island to allow for year-round, affordable dwelling units in a context sensitive way. The goal is to allow residents the option of creating units that would not be rented on a seasonal basis but instead be available to workers who live year round on the island. That organization suggested a model from Wellfleet, MA, a similar community to Peaks Island. Staff adapted this model to the language before you.

Currently, ADU's are limited to lots of 30,000 square feet or more. These changes would allow ADU's on smaller lots as long as certain conditions are met:

- ✓ The unit must be rented year-round
- ✓ The unit must be affordable

This appears to be a reasonable way to develop additional workforce housing in an island context.

3. *Changes to the Accessory Dwelling Unit language for the R-5 zoning district to allow more use of existing building space for ADU's*.

The R-5 zones in Deering Center, Oakdale, and other relatively dense off-Peninsula locations allows for more than one unit on a lot but the conditions required mean that, in practice, it is difficult to have more than one unit on many lots. At the same time, there are existing built spaces in the R-5 zone, such as carriage houses, attics, basements, and even formerly used buildings. This amendment would expand the conditions under which ADU's can be added to allow the reuse of existing built space for ADU's provided that units are affordable.

4. *Changes to Division 30 (Affordable Housing) including an Inclusionary Zoning Requirement*

This amendment updates the affordable housing section of the ordinance to make three key changes:

a) Clarify terminology related to affordable housing;

   For example, the ordinance uses the term "affordable" somewhat loosely. These amendments would differentiate between "affordable", meaning 30% or less of a household income is spent on housing; and income levels such as "low income" and "workforce".

b) Expand density bonuses for developments providing affordable housing; and

The current provisions only take effect when housing is affordable at 80% of area mean income. This change would allow units at a workforce housing level to qualify for these density bonuses. There was some talk of increasing the bonuses as well, but the final recommendation was to leave the density bonus levels as currently existing and rely on other, systemic zoning changes such as the R-6 amendments to go farther where appropriate.

c) Require that new developments of 10 units or more restrict at least 10% of the units to be affordable to those making 100% - 120% of the area mean income or below.

This provision is also known as inclusionary zoning and will be explained in greater detail below. HCDC had a great deal of discussion about issues such as if and when to permit off-site units or fee-in-lieu to count towards that total. ; Whether to require a comparable finishes and sizes for market-rate and required workforce units; whether to require the locations of the required workforce units to be mixed throughout a development; and the cost of cashing out of this requirement. The language before you includes the HCDC's final recommendations on these issues, as well as some additional draft language on terms of affordability. Based on some public comment received since the last HCDC meeting on this subject, we have developed a sliding scale for affordability terms based on the number of workforce units provided in a project. Projects only meeting the minimum requirements would have longer deed restriction terms than projects providing additional units that meet affordability requirements.

Finally, the HCDC recommended that this amendment have a sunset provision so it can be reexamined after a few years of implementation. They discussed, but did not recommend, limiting this requirement to certain zones of the City.

Inclusionary Zoning

Over 500 communities around the country, in more than half the states, have inclusionary zoning requirements. They are most commonly found in areas struggling with housing affordability. Inclusionary zoning is a tool used to "ensure" workforce housing is created enabling certain segments of the population to access and share in the benefits of Portland's growth.

One of the most important benefits of adopting inclusionary zoning is that it ensures some level of diversity within areas that are gentrifying and becoming too expensive for anyone but those in the upper echelons of the market. By promoting diversity within our housing supply the City can not only provide much needed housing at an affordable cost to its workforce but it will also help maintain the vibrant character that has made Portland such a unique and wonderful place to live, work, and play.

Inclusionary zoning works by mandating a certain percentage of the residential units of new development projects be reserved as affordable. Typically, inclusionary zoning is required of any residential development projects that propose more than a certain amount of units. Often developers are given the option to pay a fee-in-lieu for each owed unit or to build the required affordable units off site. Staff have examined how a number of communities vary their inclusionary zoning policies. The amendment before the Board reflects a trial policy that is extremely sensitive to the market in comparison to most other inclusionary zoning policy's that are currently in existence elsewhere.

Portland's Proposed Inclusionary Zoning Policy

The proposal before the Planning Board is a relatively flexible and thoughtful approach to inclusionary zoning. The policy, as recommended by the HCDC, would require future residential development projects of 10 or more units provide 10% of the development as affordable for workforce households earning 100% - 120% of AMI or below. Developers would be able to provide a fee-in-lieu of $100,000 per unit towards the City's Housing Fund for some or all of their required units. If 10% of a development would result in the requirement of a partial unit than they would be required to pay that portion of a unit at a rate of $100,000 per unit. For example, if a development of 45 units was required to provide 4.5 units the developer would be required to provide 4 affordable units and a fee of $50,000. While it does require that units be comparable in terms of number of bedrooms, it does not require similar finishes nor that the units be mixed in to the development equally. In addition, the provision has been designed to be temporary in nature with a sunset clause that expires in six years.

Questions from the Board

At the previous Planning Board workshop on May 19th, 2015, Board members asked a number of thoughtful questions related to inclusionary zoning. Additional information has been gathered below in an effort to address many of the themes raised through the workshop.

1. How does this policy compare to other cities?

The policy before you is the result of the examination of national best practices tailored to fit local conditions. The ordinance was intentionally designed to be sensitive and flexible to the market in comparison to what is typically found in other cities. This would soften its entrance into the market and act as a test to measure the effectiveness of the policy. As proposed, Portland would offer a significantly higher AMI threshold of 100% - 120% compared to what is typically required in other cities. The chart below offers a breakdown of inclusionary zoning parameters as established in other similar sized cities.

City	% of Development	Min. # of Units	Affordability	Population
Boulder, CO	20%	None	60% AMI	103,000
Cambridge, MA	15%	10 units	65% AMI	107,000
Petaluma, CA	15%	5 units	Extremely Low - Moderate	60,000
Arlington, MA	15%	6 units	60% - 80% AMI	43,000
Santa Fe, NM	15%	25 units	Up to 120% AMI	70,000
Portland, ME	10%	10 units	100% - 120% AMI	67,000

Inclusionary Zoning Ordinance Comparison

As the chart demonstrates, Portland's proposal is modest in its percent of the development project required to be affordable and the minimum number of units that trigger the inclusionary zoning policy. This was done intentionally as a means of sensitively implementing a new policy on local development.

Despite higher demands associated with their policies, many of the cities' inclusionary zoning measures researched had found success without stopping development. For example, since its implementation of inclusionary zoning in 1998, Cambridge, Massachusetts has created approximately 450 units of affordable housing. Cambridge has been experiencing strong gentrification forces for some time and its market is operating stronger than ever with inclusionary zoning in place. Boulder, Colorado first passed its inclusionary zoning ordinance in 2000 at which time only 3.6% of its housing stock (approximately 1,600 units) where reserved as affordable. By 2015 the number of affordable units had more than doubled to approximately 3,400 units or 7.5% of the overall housing stock. Boulder's housing market remains robust and the City has a goal of increasing affordable housing until it accounts for 10% of the city's housing stock. Santa Fe, New Mexico and Petaluma, California have also experienced success implementing their inclusionary zoning policies. Since 2003 the programs have yielded the creation of 208 and 386 affordable housing units, respectively.

There were also some unintended benefits of inclusionary zoning. Planners in Boulder found that despite the initial learning curve, over time the program has resulted in a more sophisticated local development community who have become more willing to help address city-wide issues related to affordable housing. By increasing their knowledge base, developers are able to confront more complicated issues and have more comfort taking advantage of other financing mechanisms and nuances related to affordable housing.

2. *What effects might inclusionary zoning have on the market as a whole?*

The impact of inclusionary zoning on housing prices and supply has been extensively studied and discussed. It is a reasonable concern that, if you add a requirement to housing development it may either increase the cost of housing or reduce the supply, or both. To date, the most extensive studies found by staff suggest have a relatively minor impact on supply and pricing. These impacts are roughly anticipated to be in the 2% - 3% range. That is why it is important to view inclusionary zoning in the context of the overall "Encourage and Ensure" package. The various "encourage" policies being pursued and implemented by the City are designed to support development and drive down the cost of housing. These policies will then help mitigate any potential increase in housing costs related to inclusionary zoning.

The chart below provides an example of how a 3% increase in housing costs might affect the approximate pricing of market rate units based on 2015 Fair Market Rate (FMR) units as established by HUD.

Unit Type	Price ($)	@ 3% Increase	Delta
FMR Studio	$730	$752	$22
FMR 1-Bed	$869	$895	$26
FMR 2-Bed	$1,074	$1,106	$32
FMR 3- Bed	$1,421	$1,463	$43

2015 HUD Fair Market Rent (FMR)

As the chart above shows, the anticipated incremental adjustments for FMR rents as determined by HUD are anticipated to be between $22 and $43 per month. It is reasonable to expect that these increases could be absorbed by the market. Again, these figures do not take into consideration the potential positive impacts on development and housing costs that may result from the implementation of the other "encourage" polices.

3. *How will inclusionary zoning affect the financial feasibility of development in Portland?*

In recent years, Portland has begun to experience renewed investment in its housing stock. The goal of inclusionary zoning is to take advantage of this new wave of investment and help mitigate rising costs of housing that will likely follow. Unfortunately, every development project has its own unique expenses and issues to overcome. It would be difficult to provide meaningful financial analysis to say with certainty that inclusionary zoning does or does not make every project feasible or infeasible.

Instead, the policy before you has been intentionally designed to sensitively and cautiously act as a test for how inclusionary zoning might work in Portland. The policy is flexible in that it allows for fee-in-lieu contributions, the potential for a 25% density bonus, and consideration for Affordable Housing TIF funding. Portland's inclusionary zoning, as proposed, would also only require that units be indistinguishable from the exterior, as long as they offer similar number of bedrooms, allowing for more cost effective finishes within the unit. This is much more lenient in comparison to many other cities across the country. For example, Boston requires that its inclusionary zoning units be proportionally spread out throughout the building and provide units of a similar size and finish as to what is being built throughout the development. Additionally, Boston offers no predetermined density bonus and developments are not allowed to use any public funding source to supplement their inclusionary zoning costs. By providing greater flexibility and establishing modest requirements Portland's policy would be able to shape to each unique proposal to minimize any adverse effects on a project's feasibility.

As mentioned previously, the proposed policy is targeted to support Portland's "workforce" with relatively high AMI's of 100% - 120%. At these income levels Portland could begin to provide housing stock reserved as affordable in order to get ahead of the rising costs of housing as the City continues to grow. The charts listed below show approximate rent and homeownership costs bases on household size at 100% and 120% AMI. For rentals, the chart assumes a household could afford to contribute 30% of their gross income towards rent as recommended by HUD. For homeownership, the chart assumes a household could contribute 33% of their gross income towards P&I, insurance, taxes, and mortgage insurance with a down payment of 5% as recommended by MaineHousing.

FY 2015 Income Limits	1 Person	2 Persons	3 Persons	4 Persons
100% AMI	$53,970	$61,680	$69,390	$77,100
Rent @ 100% AMI	$1,349	$1,542	$1,735	$1,928
120% AMI	$64,932	$74,208	$83,484	$92,760
Rent @ 120% AMI	$1,623	$1,855	$2,087	$2,319

Portland Workforce Rents

FY 2015 Income Limits	1 Person	2 Persons	3 Persons	4 Persons
100% AMI	$53,970	$61,680	$69,390	$77,100
Ownership @ 100% AMI	$210,000	$243,000	$276,000	$310,983
120% AMI	$64,932	$74,208	$83,484	$92,760
Ownership @ 120% AMI	$255,000	$296,000	$336,000	$377,000

Portland Workforce Homeownership Costs @ 3.75%

Given the relatively small differences between market rate and affordability at the City's targeted workforce AMI's of 100% - 120% the gap in cost for building these required units is not intended to be an undue or onerous constraint. For context, a unit affordable to a family of three at $69,390 per year or 100% AMI would be able to afford a rental unit at approximately $1,735 per month or to buy a $276,000 home assuming they applied 30% of their income to housing. According to a recent market analysis by Avesta Housing the average two-bedroom apartment on the Peninsula sells for approximately $335,000. This obviously does not take into account any necessary maintenance or improvements that a newly constructed unit would not have. The average sale price for new construction of a similarly sized unit is approximately $485,500. Although the average sale price is close to what a three person household could afford at 120% AMI the average cost for new construction would be significantly higher. This is where the flexibility designed to be a part of the policy would come into play. To start, the developer would have an opportunity to pay a fee-in-lieu of affordable housing which would go towards the City's Housing Fund. The development could also design the project to be eligible for a 25% density bonus, as well as, eligible for Affordable Housing TIF. Since the project would not be required to build the affordable units with the same finishes as the market rate units it could also be assumed that these units might cost less to build than the average new construction condominium.

The recently completed development, West End Place, by Redfern Properties, was recently advertising a one-bedroom apartment for rent at $1,850 per month. At this price it would be close to what a couple earning 100% AMI could afford at $1,542 and almost identical to the projected rent for a couple earning 120% of the AMI. Although market rents and developments costs can vary by each project and location these figures demonstrate that the relatively high affordability restrictions proposed are not too far from what the market currently demands.

In previous discussions some concerns were raised related to the effect of an increase in mortgage rates on the ability of developments to support inclusionary zoning. The chart below demonstrates the approximate effect of increasing average mortgage interest rates to 5.00% while keeping the other factors consistent with the projected purchase prices for workforce housing listed above.

FY 2015 Income Limits	1 Person	2 Persons	3 Persons	4 Persons
100% AMI	$53,970	$61,680	$69,390	$77,100
Ownership @ 100% AMI	$190,000	$220,000	$250,000	$280,983
120% AMI	$64,932	$74,208	$83,484	$92,760
Ownership @ 120% AMI	$229,000	$265,000	$301,000	$338,000

Portland Workforce Homeownership Costs @ 5.00%

As the chart indicates, the purchasing power of workforce households would be affected by an increase in interest rates. It should be noted that an increase in mortgage interest rates would likely affect a variety of development related expenses, not just its ability to provide workforce housing. For example, if interest rates were to rise, the cost of land would likely decrease. Unfortunately, it is difficult to accurately predict all of the different expenses that would be affected by a rise in interest rates. In an effort to help hedge against any possible adverse impacts the proposed "Encourage & Ensure" policies were designed to be as sensitive and flexible to the market as possible. The "encourage portion of the package should help support development's continued feasibility while the "ensure" policies would be flexible enough to allow for developers to pay a fee-in-lieu or build the units off-site if on-site affordability were to be unduly burdensome.

The inclusionary zoning policy as currently proposed is more to be ahead of the curve for the likely future where the cost of housing continues to climb leaving salaries and Portland's workforce behind. By adopting the policy sooner rather than later a larger stock of affordable housing will be available if housing prices continue to climb and accentuate the existing gap in the market.

Another possible revision to consider would be to limit the application of inclusionary zoning to certain high cost areas such as neighborhoods on the Peninsula. This could be achieved by enacting the policy as zoning overlay districts to targeted areas. This may have the additional benefit of indirectly incentivizing development in other areas like the Forest Avenue Corridor where the City has expressed interest in fostering growth.

4. *If approved should the inclusionary zoning policy have a sunset clause? And if so, for how long?*

The policy, as recommended by the HCDC, includes a provision in which the inclusionary zoning policy would have a six year sunset provision. When the provision reaches its six year deadline the Board would need to reexamine the policy and decide whether or not to allow for an extension or make inclusionary zoning permanent. As mentioned previously, this policy has been designed to sensitively enter the market to limit any effect on development feasibility. One way to help evaluate the policy and mitigate any potential adverse impacts is to establish a sunset clause.

As the Board considers including a sunset clause thought should be given to its length as it relates to the potential success of the program as well as future market cycles. Some concern has been raised regarding a relatively short period of just six years. If enacted, a short time limit could offer a somewhat perverse incentive for developers or landowners to merely wait out the program instead of pursing development. This would be particularly worrisome if a significant portion of the sunset provision were set to occur during a down cycle in the market. For example, if inclusionary zoning were to be passed this year only to be followed by a recession lasting five years it would be difficult to accurately assess inclusionary zoning's value or impact. A short clause could also slow Portland's assent out of any downturn by perversely incentivizing developers and land owners to simply wait for the policy's expiration rather than move forward with developments or the sale of land. As such, the Board may want to consider the merits of a longer sunset clause or to not have a hard clause at all.

Conclusion

This policy package is designed to be flexible and sensitive while providing other policies to help offset any increases in cost or additional burdens for development. As proposed, Portland's inclusionary zoning would offer a relatively high threshold (10 units or more) and does not limit a developer's option to pay a fee-in-lieu of the required units or build units off-site. In comparison to other cities, the policy offers a modest requirement of 10% and significantly higher affordability at 100% - 120% AMI than what is typical for most cities. While it does require units be comparable in terms of number of bedrooms, it does not require comparable finishes nor that the units be mixed into the development equally. In addition, inclusionary development projects with a large enough proportion of associated affordable housing would be eligible for a 25% density bonus and Affordable Housing TIF funding. All of these proposed policy details were discussed at length in other settings and come before the Board with the support of the HCDC.

The HCDC and, no doubt, the full Council, is interested in the Planning Board's views on this proposed package. Staff believes that it is the HCDC's current intent that the entire package be viewed as a whole and not broken into separate segments. Staff further believes that this package is a responsible and balanced approach to the housing challenges facing the City, as outlined in the Greater Portland Council of Governments study as well as the City's plans.

Attachment A

A1: IR-2 ADU Language (clean version of proposed language, followed by markup version)

(a) *Residential:*

1. One additional accessory dwelling unit clearly subordinate to a principal single-family or legal multi-family dwelling provided that:

    a. The accessory unit shall be no more than thirty-five (35) percent of the gross floor area of the largest unit in the principal building and shall have a minimum floor area of four hundred (400) square feet;

    b. Lot shall be thirty thousand (30,000) square feet in area, or be an existing lawfully non-conforming lot as of May 1, 2015;

    c. There shall be no open outside stairways or fire escapes above the ground floor;

    d. Any additions or exterior alterations such as facade materials, building form, roof pitch, and exterior doors shall be designed to be compatible with the architectural style of the building and preserve the single-family appearance of the building. The exterior design of new construction including facade materials, building form, roof pitch and exterior doors shall have a single-family appearance;

    e. A lower level dwelling unit shall have a minimum two-thirds of its floor-to-ceiling height above the average adjoining ground level;

    f. Either the accessory unit or the principal dwelling shall be occupied by the owner of the lot on which the principal building is located, except for bona fide temporary absences;

    g. Accessory units on lots of less than 30,000 square feet must remain under common ownership with the primary unit on the lot;

    h. Any units created under this section may not be sold as condominium units or otherwise separated from the ownership of the pre-existing unit on the site;

i. Any units created under this section on lots of less than 30,000 square feet must be rented as “workforce housing unit for rent” as per Division 30 and are subject to income verification as further outlined in implementing regulations;

j. On lots of less than 30,000 square feet, the property must have City water and sewer. All sanitary waste shall be disposed of by a public sewer, subsurface sewerage system or other method in compliance with state and local regulations.

k. The accessory unit must be rented on an annual basis and may not be used for seasonal or weekly rentals.

(a) *Residential:*

1. ~~Accessory~~One additional accessory dwelling unit ~~within and~~ clearly subordinate to a principal single-family ~~detached~~or legal multi-family dwelling provided that:

   a. The accessory unit shall be no more than thirty-five (35) percent of the gross floor area of the largest unit in the principal building and shall have a minimum floor area of four hundred (400) square feet;

   b. Lot ~~area~~ shall be thirty thousand (30,000) square feet in area, or be an existing lawfully non-conforming lot as of May 1, 2015;

   c. There shall be no open outside stairways or fire escapes above the ground floor;

   d. Any additions or exterior alterations such as facade materials, building form, roof pitch, and exterior doors shall be designed to be compatible with the architectural style of the building and preserve the single-family appearance of the building. The exterior design of new construction including facade materials, building form, roof pitch and exterior doors shall have a single-family appearance;

   e. A lower level dwelling unit shall have a minimum two-thirds of its floor-to-ceiling height above the average adjoining ground level;

   f. Either the accessory unit or the principal dwelling shall be occupied by the owner of the lot on which the principal building is located, except for bona fide temporary absences; ~~and~~

   ~~g.~~

   g. Accessory units on lots of less than 30,000 square feet must remain under common ownership with the primary unit on the lot;

h. Any units created under this section may not be sold as condominium units or otherwise separated from the ownership of the pre-existing unit on the site;

i. Any units created under this section on lots of less than 30,000 square feet must be rented as “workforce housing unit for rent” as per Division 30 and are subject to income verification as further outlined in implementing regulations;

j. On lots of less than 30,000 square feet, the property must have City water and sewer. All sanitary waste shall be disposed of by a public sewer, subsurface sewerage system or other method in compliance with state and local regulations.

k. The accessory unit must be rented on an annual basis and may not be used for seasonal or weekly rentals.

ATT. A2: R-5

A2: R-5 ADU Language (clean version of proposed language, followed by markup version)

5. Use of space existing as of September 3, 2008 to accommodate additional dwelling units under the following conditions:

a. This section shall under no conditions permit more than four dwelling units on a lot and shall not allow more than two additional dwelling units on a lot above what would otherwise be permitted;

b. Any units created under this section may not be sold as condominium units or otherwise separated from the ownership of at least one of the pre-existing units on the site;

c. Any units created under this section must be “low-income housing unit[s] for rent” as per Division 30 and are subject to income verification as further outlined in implementing regulations;

d. The additional units shall have a minimum floor area of four hundred (400) square feet and may not involve removing more than ten percent of the gross floor area of an existing dwelling unit into a new dwelling unit. Gross floor area shall exclude any floor area that has less than two-thirds of its floor-to-ceiling height above the average adjoining ground level and may include the attic if such space is habitable.

e. Modifications to existing structures shall be minimal, and be limited to new doors, windows and other openings;

f. Parking shall be provided as required by Division 20 of this article;

g. There shall be no open, outside stairways or fire escapes above the ground floor; and

f. The project shall be subject to Article V for site plan review and approval and the following additional standards:

i. Any additions or exterior alterations such as façade materials, building form, roof pitch, and exterior doors shall be designed to be compatible with the architectural style of the building and preserve the single family appearance of the building; and

ii. The scale and surface area of parking, driveways and paved areas shall be arranged and landscaped properly to screen vehicles from adjacent properties and streets.

5. ~~Alteration~~Use of ~~a single-family dwelling~~ space existing as of September 3, 2008 ~~on a nonconforming lot~~ to accommodate ~~an accessory~~ additional dwelling units under the following conditions:

a. This section shall under no conditions permit more than four dwelling units on a lot and shall not allow more than two additional dwelling units on a lot above what would otherwise be permitted;

b. Any units created under this section may not be sold as condominium units or otherwise separated from the ownership of at least one of the pre-existing units on the site;

~~a.~~c. Any units created under this section must be "low-income housing unit ~~within and clearly subordinate the principal structure provided that:~~[s] for rent" as per Division 30 and are subject to income verification as further outlined in implementing regulations;

~~b.~~d. ~~a.~~ The ~~accessory unit~~additional units shall have a minimum floor area of four hundred (400) square feet ~~that represents no~~and may not involve removing more than ~~thirty (30)~~ten percent of the gross floor area of ~~the principal~~an existing dwelling unit into a new dwelling unit. Gross floor area shall exclude any floor area that has less than two-thirds of its floor-to-ceiling height above the average adjoining ground level and may include the attic if such space is habitable.

~~b. The principal dwelling unit shall be located on a lot of no less than four thousand (4,000) square feet and no more than six thousand (6,000) square feet;~~

~~c. Either the accessory or principal dwelling unit shall be occupied by the owner of the lot, except for bona fide absences of a temporary nature;~~

e. ~~d.~~ Modifications to existing structures shall be minimal, and be limited to new doors, windows and other openings;

~~c.~~f. Parking shall be provided as required by Division 20 of this article~~.~~;

~~d.~~g. ~~e.~~ There shall be no open, outside stairways or fire escapes above the ground floor; and

f. The project shall be subject to Article V for site plan review and approval and the following additional standards:

i. Any additions or exterior alterations such as façade materials, building form, roof pitch, and exterior doors shall be designed to be compatible with the architectural style of the building and preserve the single family appearance of the building; and

ii. The scale and surface area of parking, driveways and paved areas shall be arranged and landscaped properly to screen vehicles from adjacent properties and streets.

A3: Division 30 (Affordable Housing) - density bonuses and inclusionary zoning

DIVISION 30. ~~INCENTIVES FOR~~ AFFORDABLE HOUSING

Sec. 14-484. Purpose.

~~The City believes that i~~It is in the public interest to promote an adequate supply of affordable housing for its residents. The purpose of this Division therefore is to offer incentives to developers to include units of affordable housing within development projects, thereby mitigating the impact of market rate housing construction on the limited supply of available land for suitable housing, and helping to meet the housing needs of all economic groups within the City. The City believes that this Division will assist in meeting the City's comprehensive goals for affordable housing, in the prevention of overcrowding and deterioration of the limited supply of affordable housing, and by doing so promote the health, safety and welfare or its citizens.

Sec. 14-485. Definitions.

"Affordable" means that the percentage of income a household is charged in rent and other housing expenses, or must pay in monthly mortgage payments (including insurance and taxes), does not exceed 30% of a household's income, or other amount established in City regulations that does not vary significantly from this amount.

"~~Affordable~~ Low-income housing unit for rent" means a dwelling unit for which: (1) the rent is affordable ~~to~~ a household earning 80% or less of ~~the U.S. Department of Housing and Urban Development moderate-income figure for Metropolitan Cumberland County Maine for a household of that size~~Area Median Income (AMI) as defined by the U.S. Department of Housing and Urban Development (HUD); and (2) annual rent increases for that unit are limited in perpetuity by deed restriction or other legally binding agreement to the percentage increase in the U.S. Department of Housing and Urban Development moderate-income figure for Metropolitan Cumberland County Maine for a household of that size.

"~~Affordable~~ Low-income housing unit for sale" means a dwelling unit for which: (1) the sale price is affordable to a household earning ~~120~~80% or less of the ~~U.S. Department of Housing and Urban Development moderate-income figure for Metropolitan Cumberland County Maine for a household of that size~~HUD AMI; and (2) the resale price is limited by deed restriction or other legally binding agreement for all future sales of the unit to an amount that is affordable to a household earning 120% of the U.S. Department of Housing and Urban Development moderate-income figure for Metropolitan Cumberland County Maine for a household of that size, as calculated for the year in which the sale takes place.

"Development fees" means: (1) the following fees, as described in this chapter: site plan review and inspection fees; subdivision review and inspection fees; condominium conversion permit fees; and administrative fees; and (2) construction and permit fees as described in chapter 6. "Development fees" does not include any fees charged for reviews conducted by a party other than the City.

"Dwelling unit" has the same meaning as that term is defined in section 14-47.

"Eligible project" means a development project: (1) to which the City has not committed nor will commit any funding, reduced-interest loans or other subsidies or incentives other than those described in this Division; and (2) that creates new dwelling units, among which is at least one affordable housing unit for rent or sale, through new construction, substantial rehabilitation of existing structures, adaptive reuse or conversion of a non-residential use to residential use, or any combination of these elements. Affordable housing units for sale or rent may not differ in exterior design from other units within an eligible project.

"Workforce housing unit for rent" means a dwelling unit which: (1) Is affordable to a household earning less than 100% of HUD AMI and (2) Annual rent increases for that unit are limited by deed restriction or other legally binding agreement to the percentage increase in the U.S. Department of Housing and Urban Development Greater Portland Metropolitan Statistical Area median income figures for a household of that size.

"Workforce housing unit for sale" means a dwelling unit for which (1) the purchase price is affordable to a household at 120% of HUD AMI and (2) The resale price is limited by deed restriction or other legally binding agreement for all future sales of the unit, or a lesser term as permitted in regulations, to the percentage increase in the HUD Greater Portland Metropolitan Statistical Area median income figures for a household of that size.

Sec. 14-486. Reduction of Fees and Priority Review~~.~~

Notwithstanding any other provision of this chapter or chapter 6 to the contrary, development fees shall be reduced by the City for an eligible project in the manner described in the following table:

Percentage of new units that are ~~affordable~~ low-income or workforce housing units	**Percentage discount of development fees**
5% up to but not including 10%	5% reduction
10% up to but not including 15%	10% reduction
15% up to but not including 20%	15% reduction
20% up to but not including 25%	20% reduction
25% or more	25% reduction

~~**Sec. 14-487. Priority Review.**~~

The Planning Division shall perform its review of an eligible project in as expedited a manner as is practical. The Planning Division may adopt administrative procedures to prioritize review of eligible projects and facilitate this expedited review.

The Planning Board shall make its best efforts to hear, review, and approve, conditionally approve or deny within one workshop and one public hearing any plans or applications required for an eligible project that are within the Planning Board's jurisdiction, and shall rely on reviews prepared by the Planning Division to the greatest extent practical and appropriate. At the conclusion of these public meetings, the Planning Board shall promptly issue a decision on all such plans and applications before it for consideration.

Sec. 14-487. Ensuring Workforce Housing.

1. Purpose

Based on the City's Comprehensive Plan and the housing study completed in 2015, ~~the City believes that~~ it is in the public interest to promote an adequate supply of housing that is affordable to a range of households at different income levels. The purpose of this section is to ensure that ~~large~~ housing developments over a certain size provide a portion of workforce housing units, and by doing so, promoting the health, safety, and welfare of Portland citizens.

2. Applicability/Conditional Use Requirement/Sunset
This division shall apply to development projects that create ten or more new dwelling units for rent or for sale through new construction, substantial rehabilitation of existing structures, adaptive reuse or conversion of a non-residential use to residential use, or any combination of these elements. This division shall not apply to projects that have submitted complete Master Development Plan, Level III Site Plan, or comparable applications to move forward prior to its effective date.

All Developments of Ten Units or More Conditional Uses
Notwithstanding any language to the contrary in Article 14, all developments of ten units or more are conditional uses subject to Planning Board review on the condition that they comply with the requirements of this section 14-487.

This section 14-487 shall be in effect for six years following its passage, at which time the overall effectiveness of this section shall be assessed and either this expiration date shall be deleted or the entire section shall be removed from the City's Code of Ordinances

3. Workforce Housing Minimum
At least ten percent of the units in the project shall meet the definition of workforce housing unit for sale or for rent. The number of units required is rounded down to a whole number if providing units as per 4.b. below, or shall include a fractional value in cases where a project prefers to pay a fee-in-lieu as per 4.c. below.

4. Standards
a. Projects shall not be segmented or phased to avoid compliance with these provisions. In cases where projects are completed in phases, affordable units shall be provided in proportion to the

development of market rate units unless otherwise permitted through regulations.

b. Workforce units are encouraged to be integrated with the rest of the development, should use a common entrance and should provide no indications from common areas that these units are workforce housing units.

c. Workforce units need not be the same size as other units in the development but the number of bedrooms in such units, either on- or off-site, shall be 10 percent of the total number of bedrooms in the development. For the purposes of this section, for every 400 square feet in a market rate unit will count as a bedroom if the actual number of bedrooms in the unit is lower.

d.As an alternative to providing workforce housing units, projects may pay a fee in lieu of some or all of the units. In-lieu fees shall be paid into the Housing Trust Fund as defined in Sec. 14-489. The fee for affordable units not provided shall be $100,000 per unit, adjusted annually in the same way as the fee under Division 29 for Housing Replacement.

e.Workforce housing units for sale, if converted to workforce housing units for rent, shall become subject to the income limits and other requirements of such units.

f. If at least 33 percent of the units in a development are workforce units, the development is eligible for subsidy through an Affordable Housing TIF, subject to City Council approval.

g. The term of affordability for the required 10 percent workforce units provided shall be defined as follows.

Percentage of Workforce Units Provided	Minimum Term of Affordability for Required Workforce Units
10%	Longest term permitted under federal, state and local laws and ordinances
25%	30 years
50%	20 years
100%	10 years

5. Implementing Regulations

Regulations to further specify the details of this section shall be developed, including, but not limited to:

- Specific methodology for income verification;
- Situations where less than permanent affordability might be considered;
- Guidelines for meeting the requirement that off-site units be "in the same neighborhood".

6. Reporting to City Council
In conjunction with the annual report on the Housing Trust, City staff shall report on developments subject to this section, the number of units produced, the amount of fee-in-lieu collected, and the overall effectiveness of this section in achieving its stated purpose.

Sec. 14-488. Density, Parking and Dimensional Bonuses and Reductions.

Notwithstanding any other provision of this chapter to the contrary:

(a) Density bonuses. The maximum number of units that would otherwise be allowed under this chapter shall be increased for an eligible project in the manner described in the following table:

Percentage of new units that are ~~affordable~~ low-income or workforce units	**Percentage increase in maximum number of units allowed**
5% up to but not including 10%	5% increase
10% up to but not including 15%	10% increase
15% up to but not including 20%	15% increase
20% up to but not including 25%	20% increase
25% or more	25% increase
Projects Under 14-487	25% increase

(b) Parking requirement reduction. For each ~~affordable~~ low-income or workforce housing unit for rent or sale within an eligible project, no more than one (1) parking space shall be required. The Planning Board may establish a parking requirement for affordable housing units for rent or sale within an eligible project that is less than one (1) parking space per affordable housing unit, regardless of the size of the structure.

Memorandum
Planning and Urban Development Department
Planning Division

To: Stuart O'Brien, Chair and Members of the Portland Planning Board

From: Caitlin Cameron, Urban Designer, & Alex Jaegerman, Planning Division Director

Date: June 19, 2015

Re: India Street Form-based Code District – Workshop 4

Meeting Date: June 23, 2015

I. Introduction

The intention of the India Street Form-Based Code (IS-FBC) is to provide zoning code that more adequately and appropriately reflects the existing and desired built form and scale of the India Street neighborhood. As a mixed-use neighborhood, separation or regulation of uses is not highly desired or appropriate. The FBC is currently proposed for the India Street neighborhood only and would replace all existing zoning in the neighborhood.

This is the fourth Planning Board Workshop on this draft code which includes a Proposal for a evaluation process for the FBC, Outstanding issues regarding implementation and code administration and Options for historic preservation within the India Street Form-based Code.

Planning Board Process
Workshop 1 – (2/24/2015) Introduction to proposed Form-based Code (FBC) content
Workshop 2 – (3/30/2015) Site Walk + Discussion of FBC revisions, Introduction to draft Historic District
Workshop 3 (6/06/2015) – Discussion of FBC revisions, Administration of code, Historic District interaction
Workshop 4 (6/23/2015) – Discussion of Future evaluation of code, Administration of code, FBC and Historic preservation interaction
Public Hearing – Final presentation of FBC for possible recommendation to Council (It is intended that the recommendations on the FBC and the proposed Historic Preservation converge in the process so that both provisions will be sent to the Council together as a package.)

II. Future Evaluation of FBC

Staff proposes the following evaluation process of the code itself for efficacy:

Upon IS-FBC Implementation

- Project data is logged for development projects subject to the IS-FBC (this data is currently kept and archived in Urban Insight and e-plan)
    - Project size, type, cost
    - Length of review
    - Checklist(s)

- Memorandum of development review comments
- Design drawings – evolution of design review documented

- Exit survey from development team at conclusion of project subject to the IS-FBC for feedback on the process and how the code affected the project implementation and design

At Year 3 (2018/19)

- Planning Staff work plan includes time (1-2 months) dedicated to review of IS-FBC
- Project Data: Staff reviews and analyzes project data
- Survey – Development teams: Exit surveys are collected and analyzed
- Survey – Neighborhood stakeholders: Neighborhood residents, business owners surveyed for feedback on new projects
- Survey – Staff: Internal feedback
- Staff Recommendations: Staff prepares a report and recommendations to address any issues or feedback resulting from the evaluation
- Planning Board Review: Staff presents report with analysis and recommendations for revision to IS-FBC to Planning Board which will then determine whether to adopt revisions or explore further options
- City Council: Potential map or text amendments approved by Council

III. Code Administration

Estimated # of parcels triggering Level III Site Plan:
Threshold at 50,000 sf: 18 parcels
Threshold at 60,000 sf: 13 parcels

Type of Application	Definition	Level of Review	Reviewing Authority
Site Plan: Level I or II	Construction of any new structures having a total floor area of **less than sixty thousand (60,000) square feet** in the IS-FBC zone.	Administrative Site Plan	Planning Staff
Site Plan: Level III	• Construction of any new structures having a total floor area of **sixty thousand (60,000) square feet or more** in all IS-FBC subdistricts. • The construction of any building addition(s), cumulatively having either a total floor area of **sixty thousand (60,000) square feet or more** within any three-year period in the IS-FBC zone.	Level III Site Plan	Planning Board

	• The construction of any building addition(s) have a total floor area exceeding that of the existing building to which it is an addition.		
Master Development Plan	The Master Development Plan option shall apply in the IS-FBC zone.	Master Development Plan	Planning Board

<u>Design Review</u>

Process:

- Projects will continue to have in-house design review (conducted by a committee of three Planning Division staff members including the Urban Designer).
- Level III Site Plan design review will include Planning Board review.

Building Design Standards (BDS) – The Building Design Standards will be adopted as part of the City of Portland Design Manual and will be the applicable design standards for the IS-FBC zone. The Design Manual may be revised by the Planning Board without City Council approval.

IV. Potential Unintended Consequences

<u>Mixed Uses in Form-based Codes</u>

A concern was expressed by Mr. Eaton pertaining to the prospect of late night bar activity that could take place in properties on Urban Neighborhood streets, which could introduce a level of noise and activity that would conflict with the peace and quiet of these largely residential parts of the neighborhood. It is expected that market forces will tend to attract these activities more toward the Urban Active and Transitional streets, which are conducive to such businesses. If the Board remains concerned about this prospect, it would be possible to introduce a performance standard in the UN area limiting late night operations, without introducing use prohibitions that are out of keeping with the structure of the FBC. For example, the B-1 zone limits retail and restaurant operations to the hours of 6:00 AM to 11:00 PM. Such a restriction might be a reasonable provision to ensure that late night activities do not migrate into the UN areas.

Staff did not find any examples of incompatible uses being created by Form-based Code implementation. Mixed uses currently exist on all streets, all blocks.

Excerpt from "Smart Growth for Small Towns: Mixed Land Uses" by Michael Seymour, Associate Extension Professor, Department of Landscape Architecture and the Stennis Institute of Government and Community Development, Mississippi State University

Why the history of separating uses no longer applies
Much has changed since the early 1900s. Industries are much cleaner, and very few truly incompatible uses exist. Commercial development, residential areas, and civic properties can coexist in the same area without issues similar to many Mississippi cities in the early 1900s. Most Mississippi cities have a lively downtown core with retail stores located on the first floor and offices and apartments located on the upper floors. The downtown area was surrounded by quaint residential neighborhoods, which were located within walking distance of churches, stores, businesses, schools, and other daily needs. As evidenced by early Mississippi cities, land uses can be mixed successfully without creating conflict and in doing so create a very successful and sustainable sense of community.

If land uses were mixed in cities up until the mid-1900s, why do citizens seem to have a negative perception of growth and development? Oftentimes when citizens fight a particular development planned for their neighborhood, it is not the use that is at the heart of the issue but the form and appearance of the development. Most people would not have an issue with a store or business being located down the street from their home if the business looked similar to the surrounding neighborhood. What they do not want is a business with a busy parking lot, bright lights, dumpster, and unattractive building that does not related to the surrounding neighborhood. When dissecting the real issues, it becomes apparent that the land use is no longer the issue but the appearance and form of the development itself. The present issues are no longer centered around incompatible land uses but rather incompatible form. Residential and commercial uses can coexist as long as they look similar to one another.

Building Length Maximums (Attachment 1)

Potential conflicts may arise from parcels with a buildable frontage length exceeding the maximum building length allowed in the FBC (UN/UA = 150' and UT = 200')

- UN/UA Buildable Frontages longer than 150': 10
- UT Buildable Frontages longer than 200': 6

Architectural Character (Attachment 2)

Attachment 2 includes images from other FBC communities with flexible design standards allowing for contemporary design of high quality.

V. Historic Preservation Options (Attachment 3 and 4)

1.Historic Preservation within IS-FBC	2.Neighborhood Conservation District	3.Multiple Resource Nomination	4.Certified Historic District

Least protection ⟷ Most protection

	Review Includes (by)	Pros	Cons
1. Historic Preservation within FBC Building Design Standards Preservation Objectives are included in the Design Guidelines of the IS-FBC.	• Additions (SR) • New Construction (SR or PB)	• Simpler review process for applicant • Greatest flexibility for property owners	• No tax credits • Less preservation expertise and oversight • Doesn't prevent loss of resources through demo/alt • Ordinance change required if review to include demo/alt
2. Neighborhood Conservation District An overlay district defining an area with a clear and consistent character. Includes boundary, description of defining characteristics, conservation standards or design guidelines.	• Demolition (TBD) • Alterations (TBD) • Additions (TBD) • New Construction (TBD)	• Process and standards TBD and could be determined based on community priorities • Addresses concerns about demolition while allowing alterations	• No tax credits • Requires additional work to establish process • No Portland precedent or established track record • India Street is heterogeneous in character • Ordinance change req.
3. Multiple Resource Nomination Contributing buildings are individually designated without a district or district boundary. Those properties would be subject to the same review as with a Historic District and FBC would govern new construction.	• Demolition (SR) • Alterations (SR) • Additions (SR or HP)	• Tax Credits possible • Effective where related historic resources are scattered geographically • New construction subject to FBC only	• Ordinance change req. • Tax Credit eligibility not guaranteed • Limited input on changes to surrounding context
4. Certified Historic District An overlay district including a boundary, contributing, and non-contributing buildings. Local, State, and National criteria established governing review.	• Demolition (SR) • Alterations (SR) • Additions (SR) • New Constn (SR or HP) • Within 100 feet (SR)	• Tax Credits eligibility established • Strongest protection of historic resources • Existing tools and process in place	• Less clear review path for applicant • More projects would require review

(SR) = Staff Review (HP) = Historic Preservation Board (PB) = Planning Board (TBD) = To Be Determined

The India Street Sustainable Neighborhood Plan includes Historic Preservation as a Goal and as a Development Principle. In weighing the four options described above Staff recommends those options which provide more protection of historic resources and use existing preservation tools and established processes – Options 3. Multiple Resource Nomination and Option 4. Certified Historic District. The Option 2. Neighborhood Character District, while used in other communities, is currently untested in Portland and would require additional work to create. A stand-alone option, such as Option 1. Historic Preservation within the IS-FBC would not be able to achieve the preservation goals of the neighborhood plan, especially in regards to scale and demolition.

As the Planning Board considers different options for historic preservation in the neighborhood, it is important to keep in mind that the Historic Preservation Board has yet to make a formal recommendation. There are additional strategies or opportunities that may arise for achieving these goals. For example, the India Street neighborhood is also a CDGB eligible district; CDGB funds could be dedicated to improvement and preservation activities reducing the financial burden on property owners. Staff recommends that the Planning Board communicate its goals, concerns, and objectives to the Historic Preservation Board which will then continue its process and present a formal recommendation for historic preservation in India Street neighborhood.

VI. Workshop 4 Goals

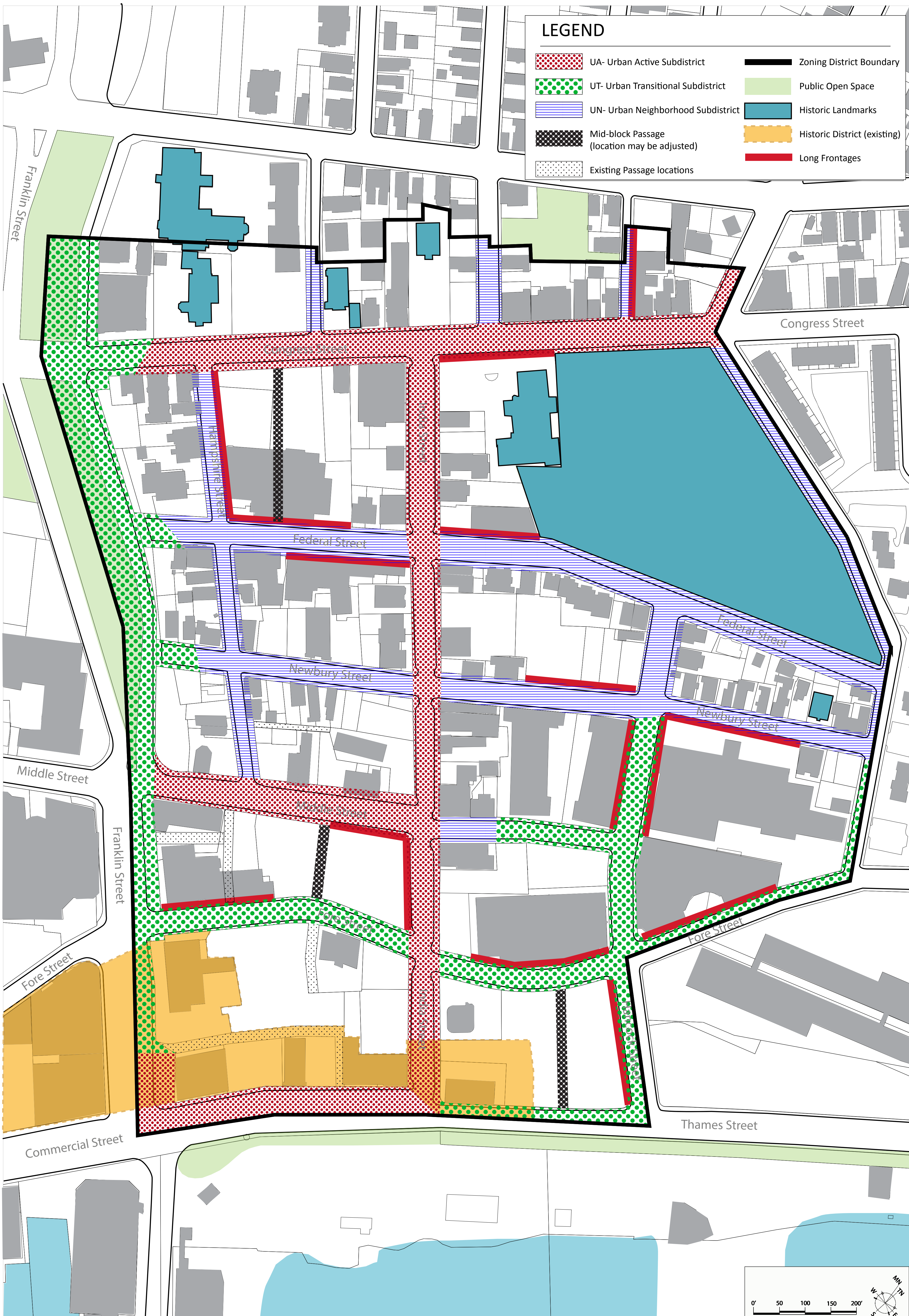
- Discussion of FBC implications
    1. Project administration and review
    2. Level III threshold
    3. Maximum Building Length
    4. Question about incompatible uses
- Discussion of Historic Preservation and Form-based Code interaction
    1. Historic Preservation options

Attachments

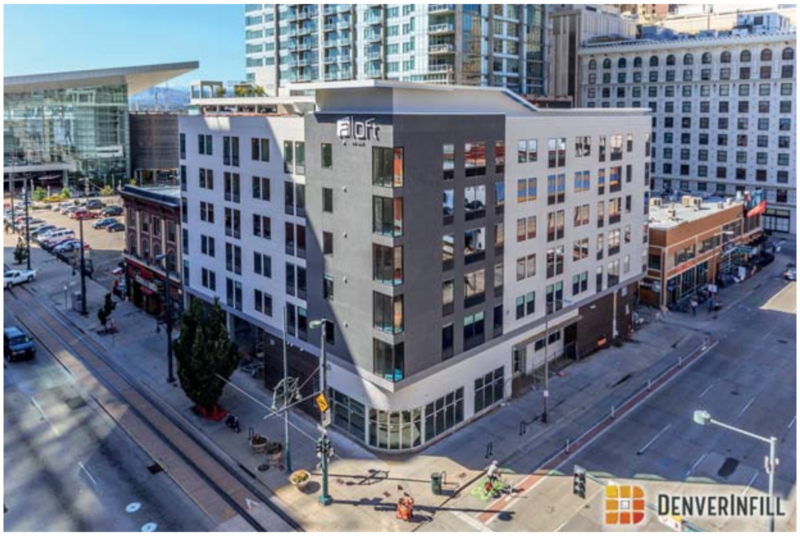
1. Parcels affected by Maximum Building Lengths
2. Examples of Architecture from other FBC communities
3. Map – FBC and Historic Resources
4. Chart – Applicability of FBC and HP review

FBC - Long Frontages

Attach. 1



Examples of contemporary architecture designed under Form-based Codes



Denver, CO mixed-use

Chapel Hill, NC mixed-use

Miami, FL tower (before and after)

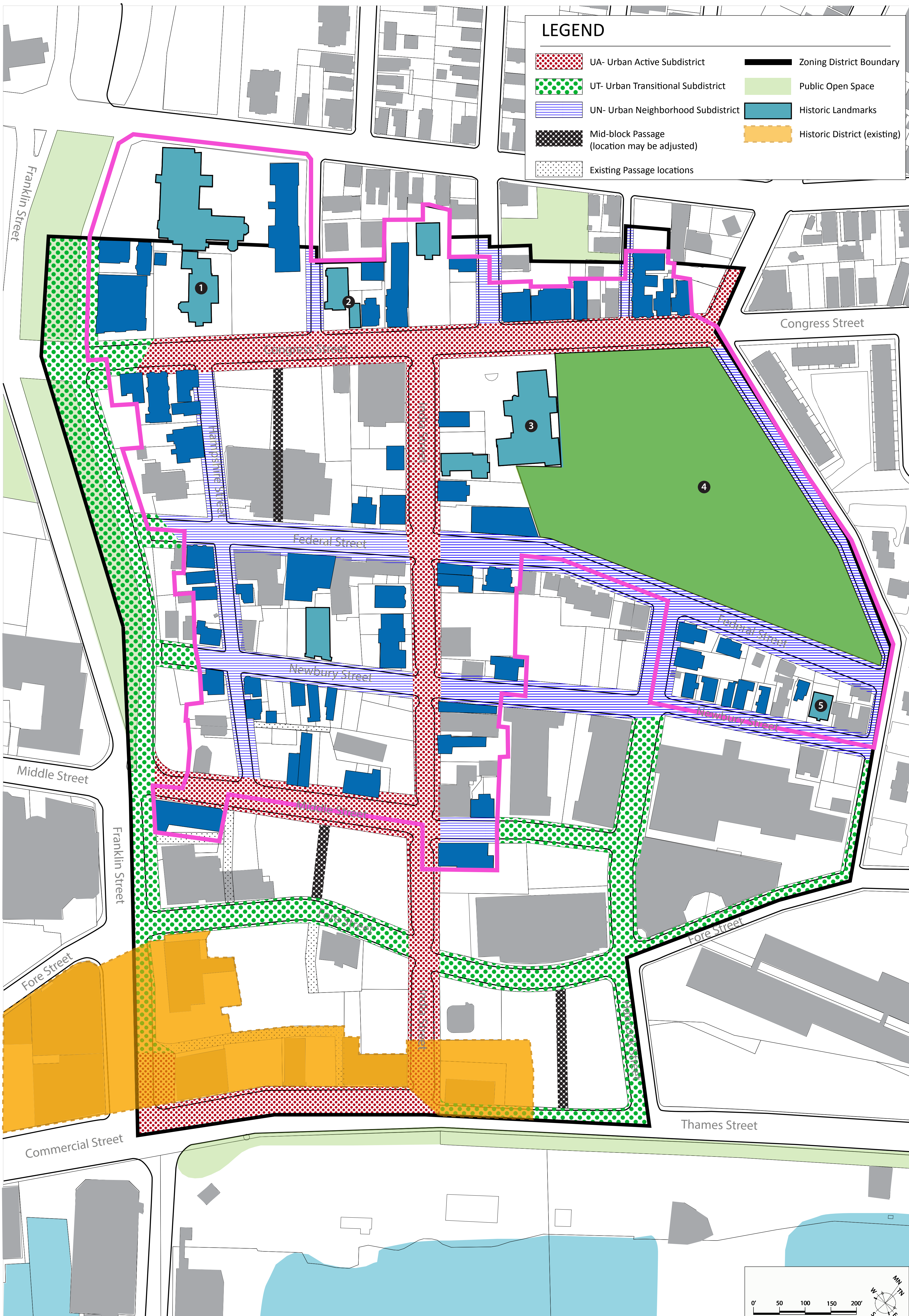
Evanston, IL shopping center

Ventura, Ca grocery store

Miami, CA mixed-use

FBC - Historic District Overlap

Attach. 3



REGULATING PLAN + HISTORIC DISTRICT BOUNDARY, June 23, 2015

HISTORIC DISTRICT & FORM-BASED CODE REGULATORY COMPARISON CHART

Applicability? ✓ Yes - No	**HISTORIC DISTRICT**	**FORM-BASED CODE (zoning + design guidelines)**
DEMOLITION	✓ All Demo applications reviewed	- No Review
HEIGHT	✓ Design Review only	✓ Base Regulation applies
Chapter 14: IS-FBC		▪ Height Minimum and Maximums ▪ Height Bonuses

Historic Resources Design Manual	▪ Within Historic District
	  ○ Review of how height is achieved
	  ○ Height Bonus: UT and Congress St.
	▪ Within 100’ of Historic District
	  ○ Review of how height is achieved	

DIMENSIONAL REQ.	- No Review	✓ Base Regulation applies
Chapter 14: IS-FBC		▪ Setbacks ▪ Building Length ▪ Accessory Buildings

Applicability? ✓ Yes - No	**HISTORIC DISTRICT**	**FORM-BASED CODE** **(zoning + design guidelines)**
DESIGN REVIEW - **New Construction**	✓ Historic District review applies ✓ Within 100’ of Historic District review	✓ Base Regulation applies
- **Addition**	✓ Historic District review applies	✓ Reviewed if visible from ROW
- **Alteration**	✓ Historic District review applies	- No review
Chapter 14: IS-FBC		▪ Neighborhood Context ▪ Massing & Proportion ▪ Articulation & Composition ▪ Fenestration ▪ Building Materials ▪ Building Entries ▪ Roof Lines ▪ Structured Parking
Historic Resources Design Manual	▪ Scale and Form ▪ Height ▪ Width ▪ Proportion of Principal Facades ▪ Roof Shapes ▪ Composition of Principal Facades ▪ Rhythm and Proportion of Openings ▪ Rhythm of Entrance Porches/Projections ▪ Relationship of Materials, Texture, Color ▪ Review of Relocation ▪ Relationship to the Street	

Applicability? ✓ Yes - No	**HISTORIC DISTRICT**	**FORM-BASED CODE (zoning + design guidelines)**
PARKING	✓ Exception applies	✓ Base Regulation applies ✓ Code of Ordinances Chapter 20 applies
Chapter 20: Parking	▪ No parking in excess of that existing on the lot (as of 1999) shall be required ▪ Existing parking may not be decreased except to the extent necessary to meet ADA	▪ No parking is required for the first three dwelling units in a multi-family residential development. ▪ Any major or minor development shall be eligible for the Peninsula fee-in-lieu of parking
Chapter 14: IS-FBC		▪ Surface parking location ▪ Garage placement ▪ Garage doors placement + size
SIGNAGE	✓ Review within Historic District	- No Review (Code of Ordinances)
STREETSCAPE & PEDESTRIAN IMPROVEMENTS	✓ Review within Historic District ✓ Review within 100' of Historic District	- No Review (Site Plan/Subdivision + Complete Streets)