

Portland Planning and Sustainability Commission

April 25, 2017

5 p.m.

Meeting Minutes

Commissioners Present: Andre' Baugh, Gary Oxman, Katie Larsell, Katherine Schultz, Chris Smith, Eli Spevak, Maggie Tallmadge, Teresa St Martin (arrived 5:11 p.m.)

Commissioners Absent: Jeff Bachrach, Mike Houck, Michelle Rudd

City Staff Presenting: Susan Anderson, Michael Armstrong, Bruce Walker, Lora Lillard

Other Presenters: Mark Hinshaw, Walker-Macy and DOZA Consultant

Chair Schultz called the meeting to order at 5:02 p.m. and gave an overview of the agenda.

Documents and Presentations for today's meeting

Items of Interest from Commissioners

- *Chair Schultz* noted that original, tonight's agenda had a briefing and comment period listed for the Rothko Pavilion easement. Since that item is no longer on Council's agenda (they had a hearing on it, and now it is back in Commissioner Saltzman's office for further work), we have pulled that item from our agenda tonight.
 - *Commissioner Smith:* If there is a revised proposal, I'd like to see it come before the PSC before it goes back to Council.

Commissioner Baugh: I will be attending the Oregon APA Conference, and on May 20 will be part of a panel on leadership of planning commissioners.

Director's Report

Susan Anderson

- We have lots of items at Council this week:
 - Equity work session this morning. This was basically a 5-year check-in on the Portland Plan and the origin of the Office of Equity and Human Rights. It was a great discussion with bureau directors and equity staff about what's working and not. We recognize we have lots of work to do, but we also recognized some successes. We have moved from 18 to almost 25 percent of people of color in the City's workforce.
 - DOZA is tomorrow at 3 p.m. BDS will join BPS, which you'll hear about today.
 - The Climate Action Progress Report on Thursday for the 2-year report.
- Design Week Portland, which runs through this week, features the Green Loop. We had a presentation last night included leaders from the City, Zidell and other major properties along the loop. We talked a lot about how the Green Loop is not just a civic infrastructure project. It will rise organically and be different along the route, so it's more of a campaign. There is now the Green Loop IPA even! We're hearing more and more about folks in the Central City who want to be a part of this "thing" that is still not totally defined.
- Our May through August PSC meetings will be held at the CH2M building in the Lincoln Room, just two doors south of here. The room is on the first floor. Staff is working on signage to direct people there who may accidentally come to this room.
- The Mayor is taking control of all the bureaus on April 27. His budget will come out on May 1.

Consent Agenda

- Consideration of Minutes from April 11, 2017 PSC meeting.

Commissioner Smith moved to approve the Consent Agenda. *Commissioner Baugh* seconded.

The Consent Agenda was approved with an aye vote.

(Y8 – Bachrach, Baugh, Larsell, Oxman, Schultz, Smith, Spevak, Tallmadge)

Solid Waste & Recycling Rates

Briefing: Michael Armstrong, Bruce Walker

Today is a briefing about the pieces that will come to you at the May 9 meeting for your hearing and recommendation.

Portland has a commercial system (businesses and multifamily properties with 5 or more units) where customers choose their hauler and negotiate service levels and prices.

The residential curbside program includes single houses up to four-plexes. Haulers serve geographic territories assigned by the City through a franchise system. The City sets the rates, administers the rules, and assist residents. Five percent of the franchise revenue comes to the City to cover the administration costs, to provide customer service, and to run programs to prevent waste and increase recycling and composting.

Bruce provided an overview of how residential rates are set as provided in the [handout](#).

Key cost factors include:

- Labor and fuel costs as adjusted for inflation
- Garbage disposal costs (can weights and tip fees)
- Yard debris/food scraps tip fees
- Recyclable material sales revenue

Portland residents are increasingly using the composting cart. There is a slight increase in the tip fee for yard debris/food waste at Metro this year.

In the past we've been able to deduct the revenue from the sale of recyclable materials off the haulers' costs, but in the past couple years, it hasn't been a revenue generator. There is still beneficial use, but it's a commodity, and those prices have dropped.

We are proposing a slight increase of less than one percent for the most commonly-used service level (35-gallon garbage roll cart). This includes EOW garbage, and weekly recycling, composting and yard debris. We have very minimal increases, even with inflation and other cost increases; it's a \$0.10/month increase. Even with the slight increase, rates will be lower than the costs in 2012.

We'll be back on May 9 at the PSC. We are finalizing the recommended rates and intend to propose the full slate of rate categories and have a hearing at that time. We will ask for the PSC recommendation prior to the Council hearing on May 18.

Commissioner St Martin: Good job on the management. Do we have programs in place for reducing the amount of trash just in terms of sustainability factors?

- Bruce: We have community outreach components with staff working with groups in the community. We are also very active in our work in trying to figure out next steps on communicating about how we can change people's behaviors on purchasing (being resourceful at the front end, not just once they're ready to dispose it).

Commissioner Spevak: Why is the 35-gallon cart the most popular? Is there a structural incentive based on the cost of the sizes on either side of that cart size? You get the best deal on the biggest roll cart right now. Do you look at things like this?

- Michael: The 32-gallon can is not something you can sign up for at this point... it's a roll-over for people who already had that size. We tend to think about and describe the rates based on the size of the garbage container, but since garbage is picked up only every 2 weeks, it's actually a minor component. We do include incentives to try to broaden the spread between sizes of garbage containers, but there are some limits given the costs.
- Susan: Some cities have doubled the costs for the larger ones to incent people to not use them. If you just do it by cost of service, it's pretty flat. We also have an equity issue: many times people who have a larger cart have many more people living in their households.

Commissioner Smith: After last year's briefing, I was persuaded and did get a 35-gallon cart because it's more efficient on the system.

Commissioner Baugh: Thank you for the presentation. I'm interested in the trend being downward. Can we see this as a graph when you're here on May 9?

Commissioner Oxman: You have done a great job dialing the economics of this... remaining stable in a non-inflationary environment is great. In my house, we've decreased our garbage since the food scrap collection. I think the next step is plastics. We still have a multi-gallon can every month or so that we have to haul off to a different recycler. Is there an option to expand the curbside collection of these plastics?

- Bruce: The primary concern is that some of those plastics have marginal markets. Many are shipped off-shore to China. Some cities have included these materials, but there is a question about marketability of these items. When we add something, we don't want it to come back out of the cart in a couple years. We would like to offer this, but we're also a bit hesitant due to the challenges of finding a home for these materials.

Commissioner Oxman: Last year we talked about new entrants into the franchise market. I believe you were exploring this. do you have an update?

- We have a 10-year franchise agreement (started early 2013), and the mid-point review of this agreement will take a look at this issue as well as the performance of the system. We are slated to begin that later this spring. So we will begin that discussion in 6-8 weeks after that.

Commissioner Baugh: Regarding the incentives around the haulers for efficiencies: are there things the haulers do to be more efficient? Or is it about what discounts you give to residents based on the size of their cans?

- Michael: We haven't provided an incentive for haulers to date. That is something we have discussed internally. The can question is going away slowly as they wear out and people have to switch to carts. We can revisit this incentive as well.

Commissioner Spevak: Could a group of 8 homeowners or renters team up to get a commercial service?

- Bruce: Trash service is defined based on tax lot, so commercial service isn't an option. For renters, the requirement is for the property owner to pay for the service to make sure the renters get the right level of service. This is a protection for renters.

Chair Schultz: In other hearings we've heard that a 9.5 percent return is pretty high for some people. Can you explain how that's the number you use so we all understand that?

- Bruce: The 9.5 percent target operating margin was developed 20+ years ago based on other cities and standards. It is pre-tax. We have looked at it at each franchise review, and we assume it will be during the next review. The range that's been in place throughout this state is in the 8-12 percent range. Other utilities have similar target operating margins too.

Design Overlay Zone Assessment

Briefing: Lora Lillard; Walker-Macy and DOZA Consultant

Lora introduced the project and the team, which is a joint BPS-BDS project. She then shared the purpose of the Design Overlay Zone (33.420). This has evolved over the years based on where we apply the overlay zone.

The project's purpose has been to undertake an independent and comprehensive assessment of the City of Portland's design overlay zone and make recommendations

Slide 3 includes the Map of Portland's existing/proposed Design Overlay Zones

- Areas in red, pink and blue all have the D overlay
- Areas in red are the D overlay within the Central City
- Areas in pink are the D overlay within the Gateway Plan district
 - Portland's only regional center
 - highest-densities outside of Central City
- For these reasons, areas in red and pink are subject to discretionary design review
- Areas in blue are also areas with the D overlay
 - In some cases, Designated D overlay as a result of Plan Districts for the purpose of preserving character and context of the area or views (Marquam Hill, Macadam Plan District)
 - And/or, Areas with D overlay recognize their high growth potential (Interstate, St. Johns, Hollywood)
 - On the map are Town Centers from the New Comprehensive Plan
- Areas that are hatched fall within newly designated Town Centers and/or neighborhood centers (not circled)
 - Most of these are a result of the Mixed Use Zone Project, due to their designation as centers or corridors
 - Some areas include portions of the CCPD that have their underlying zoning changing from industrial to central employment/commercial

There are two review criteria: discretionary design review and the clear and objective plan check.

Clear and objective standards are required for triplexes, apartments, condominiums, townhouse developments with 3+ attached units, and other commercial projects. This analysis doesn't include permits issued to historic landmarks or projects in historic districts.

Of the 358 projects that underwent design review, a majority were located in the Central City, with another 25 in the Gateway Regional Center. The remaining were located in the rest of the city.

Many recommendations will fall under the purview of the PSC, so we'll be working closely.

The consultant team reviewed peer cities and what we can glean from their use of the design overlay. They also conferred with stakeholders in Portland. We had an equity-focused group and a housing roundtable. We sent out questionnaires and had site evaluations throughout the city including in areas that will be included in the expanding overlay zone.

In the next weeks, we'll dive deeper into the workplan. For process improvements that don't need a code change, we'll get those started right away; some are even underway already. Legislative projects will take about 18-24 months. We will look at Community Design Standards and Design Guidelines before we move on to looking at the Central City.

Chair Schultz noted the focus for tonight's session is on the recommendations from the subcommittee that helped to inform the PSC's letter to Council that I will present at tomorrow's session.

Mark appreciated the work on this project and input from staff and others who contributed to the report. This was a good cross section of perspectives and input. We have 19 actions, including ones that City staff has already started to implement as Lora mentioned.

Slide 12 includes the 7 process recommendations; slide 13 shows the 12 tool recommendations. He walked through the four main points in the PSC's letter.

Thresholds

What we saw that often bogged the system down was the number of smaller projects, which is why we have the recommendation to really focus on the larger, more impactful projects (some of which didn't get any design scrutiny). If you look at the charts for new development, additions and alterations, we have dropped smaller projects out of the design review process. They still have to comply with building and other code standards, but they don't have to go through the additional step.

Gateway has been treated essentially equal to the Central City in some regard; but we know in terms of building, it's not there yet. There has been very modest, low-investment type expansion there, so we have cut out the majority of these items have to go through a special review. So it's now being treated a bit differently than before.

Chair Schultz: One of our points in the letter was that in Central City, which we think of as downtown, but it really includes the Central Eastside (CES) as well. The eastern edge of the CES could be considered in how and where the threshold breaks happen because of its proximity to other areas and distance from downtown. I thought this was an excellent point.

- Mark: In a subsequent step, we could look at this. It would take a much finer-grain analysis, which will take lots of research. We can't just invent a number or criteria.

Commissioner Spevak: I don't know what the case would be to treat downtown similar to the more outlying Central City areas. They'd still get design review but at the level that's currently done for areas outside the Central City.

Commissioner Oxman: I appreciate the need for thresholds. There was discussion about how you can get an accumulation of buildings with bad design in this approach, so I'm wondering if there are voluntary guidelines or other mechanisms to move the development in the same direction of community design but without the regulatory barrier. If there is total exemption on the small remodeling, it could lead to somewhat of a downward spiral in terms of design. I understand a strict regulatory approach is a barrier regardless.

- Mark: Given the Oregon state laws, it somewhat forces you into the two options.
- *Chair Schultz:* Could you not say that we think it's important that the work on Community Design Guidelines and Standards be done as part of this work?

Commissioner Spevak: I appreciate that the buildings we love in Portland were almost all built without design review.

Public involvement system

We think that having more obvious announcements with concepts and more information, so someone really knows what will be taking place on the lot, is best. You now have a significantly higher proportion of renters in Portland, but it's the owner who gets the notice... not necessarily the renter. We recommend increasing the mailed notices for Type II and Type III reviews. We also suggest requiring applicants to document community input to ensure an inclusive decision-making process.

Commissioner Smith: As a former neighborhood association (NA) officer, I appreciate the suggestions for improving community involvement. In terms of the snail mail, millennials don't really read this. What are your thoughts about using the internet and social media for these notices? Are there tools that would help people engage online and get to the relevant audience? Next Door could be a channel.

- Mark: You have The Next Portland, a private-sector tool. But this isn't local to a neighborhood. I think it could be done, but it would take some work to look at it.

Chair Schultz: Regarding the applicant being required to take notes and submit them, miscommunication happens all the time. So I would be curious why the NA shouldn't be the ones required to provide minutes. Or maybe both should so they are on record from both sides.

- Mark: This could be a trap with lots of going back-and-forth. But it could be helpful to have both sides making notes. Incumbent on the NA is to make sure they are representative of the actual neighborhood composition. It means outreach to bring in a range of people.

Commissioner Spevak: Where is the charter housed? In Title 33, the 700s list the purview of each commission.

- Lora: The Design Commission purview is in the 800s. There isn't a charter per say.

Formalize the annual reporting in the Design Commission's "State of Design"

On an annual basis, we'd want to monitor and evaluate the outcomes of the new process and zones. This would be added to the Design Commission report asking the question "did these changes make a difference?" There are so many process improvements before you elect to set up another commission, which could also be a recommendation. But we think that adding to the annual report would be a good place to start. Some cities do have more than one body looking at design, but we think there are steps before Portland decides to have a second commission.

Chair Schultz: I added a bit in our letter. If there is a formal process for Design Commission report to Council, it would be great for them to report to the PSC before they do so we can find the synergies and connections between the two commissions. If people are supportive of this, we can leave it in the letter.

Commissioner Oxman: Is there a role for pre-defined metrics and then look back to see if the metric is moving? I'm very supportive of qualitative review as well.

- Mark: There aren't necessarily best practices that address this. But there are metrics we used in our evaluation that could be used. It's also possible to come up with a few others that would get at the other touch-points. But some things won't be immediately apparent. The number of appeals is a clear metric we could use.

The PSC confirmed they will keep *Chair Schultz'* addition in the letter to Council regarding the Design Commission sharing the report with the PSC.

Clarify and revise the purpose and scope of the d-overlay

The goal here is simply to clarify the rough edges to make it more evident what the d-overlay is designed to do. It's basically to fine-tune this language and make sure people understand the code. Some language is vague, and it was written 20-to-30 years ago.

Chair Schultz: The subcommittee was supportive of this. Not only discussion about bulk and height, but discussions about additional set-backs are another point to hold the line on as a Zoning Code provision versus it being discretionary.

- Mark: Some cities allow for a modest amount of discretionary adjustment, but not a lot. I don't know if you want to go there. I think it's better to have a crisp line between the quantitative measures and the other qualitative measures.

Use the three tenets of design to simplify, consolidate, and revise the standards and guidelines.

We thought it would be good to focus the review on three key subjects. They aren't new, but they get the focus measured and directed.

Our recommendation is that they should be treated equally: (1) respond to context; (2) elevate the public realm; and (3) expand "quality and permanence".

I saw that much of the focus has been on the third item. But many projects we reviewed were really failing on the public realm issue. Let's look at the responsibilities of the building fit and contribute to the neighborhood. I was seeing less of this happening.

Commissioner St Martin: I don't know where a specific standalone mention of affordable housing ties into the content of the letter. Perhaps a broader focus on all of our Comp Plan equity goals is more appropriate.

- *Mark:* When the subjects are recrafted, you go back and make sure there is language that addresses this. Sometimes it's just what you ask for in the submittal. Ask for pictures or diagrams. It's like the question of "show me how you got to the answer you did." This would be a more specific form required for design submittal.

Commissioner Spevak: This is a fantastic way of describing what we're trying to achieve. If I can convince the PSC, I think the public realm is more important than the other two tenants. I would even suggest we prioritize these in terms of our public interest: public realm; respond to context; then quality and permanence.

Chair Schultz: In our letter, I wanted to be sure to tie this back to the Comprehensive Plan. We have goals that we're trying to forward, and this is another check point. I started to say, as a PSC, we would challenge the tenants and how they work to achieve the goals of the CAP and Comp Plan. Are there concerns about this from the Commission? [no.] "Quality and permanence" is very subjective. What's the definition of quality for the purposes of review? There is a difference between how different commissions would review this, so we need to be sure what we're trying to achieve and define these terms.

- *Mark:* A frustration I've had is the desire in lots of cities to have canopies. But that creates a horizontal line, which is kind of deadening. It doesn't reflect the individuality of each business. So could you have an escrow set-aside so each tenant could use the fund to be a bit more playful? This is one indication of quality.

Commissioner Baugh: I appreciate this work. It's a brave new world here. I think it's important to look at this in terms of the Comp Plan. Much of the goals revolve around getting complete neighborhoods in areas that have not had them in the past. The concern is when you look at the bifurcation of smaller projects, government tend to look away when there is a standard; the things you monitor are things that are moving and require a response. For low-income neighborhoods, this is likely not their experience. I don't want these areas to be taken advantage of. We don't want to focus our attention on the large, shiny projects without providing the same resources to smaller our farther-out neighborhoods. On the other hand, this is a great opportunity for small owners to bring in affordable businesses and improvements. We need to be vigilant.

Commissioner Spevak: I propose to revise our letter to prioritize private realm. And perhaps in the last sentence provide more clarity on the meaning of permanence.

Commissioner Tallmadge: In our letter, I'd suggest we add a focus on affordability and anti-displacement work in terms of the Comp Plan goals. "This needs to meet the Comp Plan goals around affordable housing and anti-displacement." This could go in section B.1.

- *Chair Schultz:* Or are we trying to say all the Comp Plan goals?
- *Commissioner St Martin:* I don't know where this ties into the letter.
- *Commissioner Baugh:* I like including all the Comp Plan goals. Instead we could use "a particular focus on equity".
- *Commissioner Oxman:* I'm hesitant to highlight just affordable housing. I don't think we know the cost implications of good and not good design. Without more thought, I'm hesitant to make any changes.
- *Commissioner Smith:* I'm looking for the nexus as well. At the time of implementation is when we use the equity lens. That is where it resonates more with me.

- *Chair Schultz*: I'm leaning towards including all Comp Plan goals. We're also missing a statement about the Climate Action Plan (CAP). So we should broaden this statement in B.1.
- *Commissioner Tallmadge*: I disagree that equity should be brought in at the end. [*Commissioner Smith*: I was saying alongside, not at the end.] I would still elevate equity in our letter.
- *Chair Schultz*: I agree that equity is extremely important. The Comp Plan leaves it as a balance, and it is all about balancing the many components. I'm much more comfortable saying the Comp Plan and CAP. Let's leave that off for the moment.

Chair Schultz: Do you want to specifically make mention or call out equity into the statement? [yes.]

Chair Schultz: Add "to reflect the goals of the CAP and the Comp Plan with particular attention to equity." [yes.]

Commissioner Spevak: Would we like to highlight the public realm as the priority of the three tenants? Everything currently says they are equal. But with the lack of definition on "quality and permanence", I feel like they aren't all equal.

- *Susan*: I would differ; I think these are the three considerations, and at each site one may be more important than another, depending on the context of the area. When I read it, I didn't see it said these are all equal.
- *Commissioner Oxman*: I see these as the points of a triangle that interact together but differently in different situations. I don't think concentrating on one aspect gets you to a specific right outcome.

Public realm point will not be prioritized in the letter.

Susan: I want to encourage that more than one of you come tomorrow to have the conversation with Council. Often we've made a case that we don't want lots of opinions from the PSC before Council. But if you have an additional point, you could consider that.

- *Chair Schultz*: We are supportive of these recommendations, and I'm open to someone joining me at Council at 3 p.m. tomorrow.

Chair Schultz: This is great work. I greatly appreciate pulling it back to our broader goals and policies. Thank you for all the staff's and consultant's work as well as to the subcommittee.

Adjourn

Chair Shultz adjourned the meeting at 7:08 p.m.