

Portland Planning and Sustainability Commission

July 25, 2017

5 p.m.

Meeting Minutes

Commissioners Present: Jeff Bachrach, Andre' Baugh, Mike Houck, Katie Larsell, Michelle Rudd, Katherine Schultz, Chris Smith, Eli Spevak, Teresa St Martin (arrived 5:12 p.m.)

Commissioners Absent: Andres Oswill

City Staff Presenting: Joe Zehnder, Lora Lillard, Phil Nameny; Carmen Merlo, Jonna Papaefthimiou (PBEM)

Chair Schultz called the meeting to order at 5:00 p.m. and gave an overview of the agenda.

Documents and Presentations for today's meeting

Items of Interest from Commissioners

- *Chair Schultz* received (for the PSC) three books to be shared. They all make mention to Portland: *Better Together: Restoring the American Community*; *The Big Sort: Why the clustering of like-minded America is tearing us apart*; and *The Nature Fix: Why nature makes us happier, healthier, and more creative*. Julie will have these available for PSC members to read as they wish. Regarding *The Nature Fix*, *Commissioner Houck* also commented on Richard Liu and his presentation to 4th graders, who said they prefer to play indoors where all the outlets are.
- *Commissioner Houck* noted September 8 is the annual Policymakers Ride. This year we're focusing on the Green Loop and the Lents Green Ring. There are usually about 100+ people on the ride with riding and food and drinks at the end.
- *Commissioner Spevak* noted that the Fossil Fuels decision was struck down by LUBA this week. *Commissioner Rudd*: I'd suggest people read the case; I can forward it the PSC.

Director's Report

Joe Zehnder

- We will not have a PSC meeting on August 8.
- Joe noted we will have our newest PSC member joining the Commission at our September meetings. Ben Bortolazzo expected to be appointed at Council on August 3.
- We expect to be back in our regular commission room starting in September.

Consent Agenda

- Consideration of Minutes from June 27, 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, Houck, Larsell, Rudd, Schultz, Smith, Spevak)

Unreinforced Masonry Seismic Retrofit Project

Briefing: Carmen Merlo, Jonna Papaefthimiou (PBEM)

Carmen introduced the topic. A magnitude 9+ earthquake is likely to hit the Portland area within 50 years. Unreinforced masonry buildings are vulnerable because the walls aren't securely tied to the floors and roof. She gave examples from Christchurch, NZ, and the massive amounts of damage caused by the 2011 earthquake. Other examples from Seattle, Napa, Oklahoma.

It's not just seismic activity that can cause damage to URM buildings; large windstorms and other weather events can as well.

Portland is not the first city considering a mandatory retrofit policy. It's quite possible to retrofit, starting with parapet bracing, all the way up to full building diaphragm strengthening. There are a number of examples of retrofitted building that sustained severe damage but didn't collapse.

In May 2014, Portland City Council directed staff (PBEM, BDS and Prosper Portland) to develop policy recommendations to reduce the risk posed by unreinforced masonry (URM) buildings. They hired an engineer to update the almost 30-year-old URM database of buildings in Portland. *See stats about the database on slides 25-27.*

The URM buildings are primarily concentrated in Old Town / Chinatown and along major transportation routes. In an emergency, we'll have lots of debris to clear from these emergency transportation routes before we can get crews on the road. About 79 percent are either 1- or 2-story buildings; all are predominantly commercial uses.

Jonna shared information about the policy-making group. The first committee was a retrofit standards committee to develop the proposed retrofit standards. *See the classifications on slides 32-33.*

The timeline has been modified as the process has moved forward. We expect that most buildings will be assessed within the first 5 years. Then the initial work would happen within 10 years, with full seismic upgrades completed after about 25 years. There will likely need to be financial incentives for individual property owners to work towards these goals.

Costs can vary greatly, even between similar buildings. Seismic retrofits are often done in conjunction with other upgrades, so separating the costs can be difficult; staff did find some comparisons and could figure out some of the full cost implications. Design, relocation and construction costs were included; it didn't look at economic benefits of job creation of doing the work and/or soft costs.

The retrofit standards committee then shared and worked with the support committee, which worked on the costs aspect. Each owner's needs are different and complete, so multiple tools are needed. Financial support should incent early action.

There is a seismic CPACE in development right now. SB 311 provides a property tax exemption for seismic work. Permit fees are waived when such fees are less than \$2,500 and reduced by 50 percent when such fees total \$2,500 or more. \$5 million in TIF funds allocated for seismic retrofit finance experimentation in OTCT URA

There have been numerous outreach engagements for the project including presentations and the work groups.

We're moving towards mandatory retrofit based on URM class. Affordable housing, churches and not-for-profits are more difficult to work on since they are tax exempt and wouldn't reap the benefits privately-owned buildings would see. The committee would like to give a timeline extension for affordable housing to do the work and provide the benefits. The group suggests churches need to do

steps 1 and 2 (low hanging fruit). They would also ask to do voluntary placarding of retrofitted URM buildings.

Discussion

Commissioner Spevak: My daughter has gone to schools that are URM buildings (churches), so this is a dynamic that happens in the marketplace. On historic preservation, is this embedded in an assumption? Maybe there is some flexibility there. Are there any expected changes to Title 33? What would be required versus incented?

- Carmen: We're hoping to make changes to Title 24. These are passive, so there aren't requirements to do anything that would need to be updated in Title 33.

Commissioner Smith: Going back to the slide that defines the classes, what's the expectation of usability after the event for each class upgrade?

- Carmen: It depends on the earthquake... they could be fine if they are retrofitted in a smaller quake; in a subduction zone quake that lasts minutes, they likely wouldn't be useable.

I'm thinking about the benefit cost analysis.

- Jonna: Earthquake prediction is quite difficult as we know.

Commissioner Baugh: When we look at the buildings and the affordable housing part, is that a PHB decision to do the retrofits?

- PHB staff have served on the policy committee and have said they are uncertain about meeting the timelines as proposed. They will come forward to Council within a year after the final timelines are shared. If they can't meet the timelines, they will propose what they think is doable.
- BDS has a [searchable map](#) that shows URMs.

Chair Schultz: Have you thought about integrating this into PortlandMaps?

- This is a good suggestion.

Commissioner Houck: You noted that property owners would be reluctant to notify tenants about their building being URM... so what?! Mandatory notification should be included in the proposal. I think this should be mandatory.

- These recommendations we're sharing are from the policy committee, and the group hasn't yet reach consensus. We as staff will also review and provide input before going to Council.
- *Commissioner Houck:* Well, as far as I am concerned it should be mandatory

Chair Schultz: On the list of incentives, how much does retrofitting buy down?

- Jonna: It depends on the building. Main financial is through SB 311, but we hope to implement locally for 100 percent of property taxes for up to 15 years for a retrofit. It looks like it would cover 10-50 percent of the costs.

What's the penalty for not doing a retrofit?

- There are notices to tenants then mostly financial penalties... up to \$6000 a month. Each step has financial penalties that increase the more time goes by.

Do you have a gut feel how many owners would just vacate their buildings instead of paying to retrofit? I've heard this as a response. Is there potential for making nuisances and more potential harm by making this mandatory? This becomes more of an issue with historic buildings and having them delisted from the register.

- Carmen: I can't speculate on buildings that might be vacated. There are concerns about costs for historic buildings that could get demolished. We're using the FAR transfer program to try to help with this. The historic tax credits could help support as could the credit for doing retrofits on historic buildings. Other jurisdictions have made it easier to do façade changes, which is a conversation we can still have.

In California, to help with historic preservation, they have a full program of alternative needs and methods. Maybe you don't seismically upgrade the full building but make it possible for people to get out.

- Carmen noted this is basically the modified bolts plus (URM Class 3) level, but it doesn't entail a retrofit of the whole building.

Design Overlay Zoning Amendments

Work Session: Lora Lillard, Phil Nameny

Phil introduced himself and Lora as well as the BPS DOZA team and Stacey Monroe from BDS. Today is an overview and discussion about the DOZA Purpose Statement in the Zoning Code; what we heard from the Design Commission; and then a discussion with the PSC about the purpose statement.

Lora noted that we wanted both commissions to help with the Purpose Statement to make sure we're all on the same page. Our next steps are to use the discussion for the Purpose Statement to inform the draft working statement. We'll bring the code language back later, but we'll be using the purpose statement to inform all the pieces of the package.

Changes to that language will result in parallel changes to other language within the Zoning Code so everything remains consistent. Examples of this include the purpose statements for Design Review and the Design Commission.

Lora highlighted what staff heard from both the PSC and the DZ about what they felt the general direction for the statement should be as noted on slide 4.

Lora directed the PSC to the handout that includes information about what a good purpose statement is; selected Comprehensive Plan goals that are grafted together to write the purpose statement; and the working draft of the purpose statement. We want to focus on the clauses today, not just the verbs.

The DZ wanted language to recognize some approved land use laws and to be clear that the statement is intended to be about growth. They were concerned that quality is buried in the statement, so staff should make this more prominent. DZ also wanted clarification on what "historic" context means and if it belongs here. Does this need to be Portland-specific? Or can the specificity about Portland be within the standards and guidelines themselves? Do the three tenants belong in the purpose statement? DZ agreed that we should keep them, but we should take out the descriptive components of the tenant statement bullets. Context, public realm and architecture were suggested as alternative three tenants; they are all nouns and a means to achieve the end goal.

Commissioner Houck does not like using only the brief statements of the tenets. The entire language in each bullet is important and should be left as is. We shouldn't only think about the building; it's about how the building fits into the environment around it as well.

Commissioner St Martin: Sometimes the design is about the open and empty space, so I echo *Commissioner Houck's* comment.

Commissioner Baugh: What gets lost in context are the definitions. I get concerned when we truncate, so I also agree we should keep the full three statement.

Commissioner Rudd: I would leave the additional language in as well; it will be more helpful to staff to see this and have our buy-in.

Commissioner Spevak: I'm still concerned about the phrase "high quality". My instinctive response is that these are a good way to define what we're talking about. But I'd love to see public realm be the first thing on the list; I wouldn't include high quality and long-term resilience.

Chair Schultz also supports leaving in the additional language to tie the statements back to the Comp Plan and to keep the discussion broad. I support the order that they're in. High quality is not in Goal 4D, but it seems like it was added into the Comp Plan bullet points we've outlined.

Phil: There are two aspects of this... pulling things from the Comp Plan and pulling from the DOZA report, which includes three tenants. Long-term resilience incorporates things outside of material quality.

Commissioner Baugh: "Design excellence" – is this saying high quality?

Commissioner St Martin: What about "design integrity" instead of "high quality"?

Lora noted that "high quality" is in some policies in the Comp Plan, including Policy 4.7. This is also relayed in the quality of the execution of the building and massing on the site as well as the materials that are used. We took a turn from the word "permanence" and used "resilience" because we're going above what we think of as permanent to think about green buildings and high-performance buildings. It's about how the building can last over time and if it's adaptable to an evolving city.

Chair Schultz: In terms of high quality, are we talking about Rolex? Or is it a Timex, that will still last forever, but that may not be considered as superior quality?

Sandra uses the analogy of IKEA furniture in that it brings functional quality to the masses. It's purposeful and useful. Does it qualify as high quality? It is well designed regardless of what you think of its quality.

Joe: I think design excellence is what we're trying to get at with high quality. Perhaps this can be flushed out in the guidelines and standards. We used to use "permanence and long-term resilience". It has both systems and a technology piece included.

Chair Schultz: Do we just remove "high" and say "quality"?

Commissioner Bachrach: I don't think "ensure" is the right verb for the third tenant. "Strive" could work better perhaps. Also, as a broader question, wasn't one of the concerns of the group to balance the current design system as being too diffuse. Didn't they have some language about doing all these things in the context of our land use regulations and a manageable process?

- Phil: This is why we have three phases to the DOZA project. We are still looking at having a more efficient design review process. Whether that should be part of the purpose statement is a question. The purpose statement is usually the aspirational part.

As you're now going to design regulations under the purpose statement, I'm concerned we're broadening it too much. Should there be something in the statement to balance with certainty and a realistic approach?

- Lora noted the purpose statement is for both the design review guidelines and design standards.

Commissioner Spevak: One possible addition is "consistent with applicable height and FAR" to reign in the range of debate. On the public realm side, if DZ has a commission who has expertise on this, that could be a good balance to help assuage my concern.

Commissioner St Martin: I think this is great work and how you crafted it. The one thing I have is that I think the purpose statement provides direction but not justification. I think the admin rules help with the balancing aspect instead of having that in the purpose statement.

Commissioner Rudd: Part of the DOZA recommendation was to provide tools that help the chair to control the meeting more. Things like statements at the beginning of the meeting about the applicable

review criteria could be helpful. The purpose statement isn't direct criteria. If we are considering changing the verb in the last tenant, what about "promote" instead of "ensure"?

Commissioner Houck: I second Eli's comment. I expected that the report our on what feedback staff had received would include the public, not only the Design Commission and PSC. I know citizens have commented that there be someone on the DZ with natural resource, park, and open space expertise to bring these issues in the conversation. I support Eli's recommendation that these areas of expertise be on the Design Commission.

Chair Schultz: Even DZ made the comment that they are working under land use law regulations; this doesn't have to be in the purpose statement, but you could define this in the purview statement of the DZ.

Phil noted that there is a statement that specifies the items that can be considered as part of design review. That will be looked at in this first phase of process improvements.

Lora: This is more direction-setting, and not necessarily the "how". We did make this decision but welcome your comments if we need to spell that out here.

Chair Schultz concurs that this is phenomenal work. I think you're really listened to our previous conversations. You took a tough job and distilled it very well. Thank you.

Lora recapped the PSC members' comments:

- Support for leaving all the text.
- "Ensure" may not be the best word... maybe "promote". There might be a verb in-between that works better.
- "High quality" could be condensed to "quality".
- The question of does this statement needs to forward the direction of the City (if this is assumed) or if it gets addressed in other sections of Code. *Chair Schultz* noted this should be implied. Do people think there need to be more references to code here? [no].
 - Joe: As we think through these things, we've learned that every policy or clause does not need to say everything. We wouldn't be writing a Code section if it weren't implementing the Comp Plan. Land use laws have already been established.
Commissioner Spevak concurred.
- We want people on the DZ that are specialists in open space.

Commissioner Smith brought up the question of the order. I agree with Eli that public realm be the first bullet. *Commissioner St Martin* and *Chair Schultz* think that it doesn't matter the order because they are all of equal importance.

Adjourn

Chair Shultz adjourned the meeting at 6:43 p.m.

Submitted by Julie Ocken