

## Portland Planning and Sustainability Commission

August 22, 2017

5 p.m.

### Meeting Minutes

**Commissioners Present:** Jeff Bachrach, Mike Houck, Katie Larsell, Andres Oswill, Michelle Rudd, Katherine Schultz, Chris Smith, Eli Spevak, Teresa St Martin (arrived 5:21 p.m.)

**Commissioners Absent:** Andre' Baugh

**City Staff Presenting:** Alisa Kane, Brandon Spencer-Hartle

*Chair Schultz* called the meeting to order at 5:03 p.m. and gave an overview of the agenda.

### Documents and Presentations for today's meeting

#### Items of Interest from Commissioners

- *Commissioner Smith* has been keeping the PSC abreast about transportation safety statistics. In the first quarter of this year, we were much safer than last year, but as of July 19, we have 24 fatalities on Portland streets (compared to 25 last year). This week there was a 41-year-old woman who was involved in a crash with a garbage truck on Water Ave. I've been trying to use leverage over haulers to get side guards on the trucks. I don't know if that would have helped in this collision, but it is a reminder we continue to need to make progress on our Vision Zero strategies.
- *Commissioner Larsell* shared an update about the Gateway Education Economic Development Center, a Portland Plan initiative. When Portland Plan was updated to us a few months ago, there had been no progress on this. I met with the Mayor recently, and we talked about getting more support for the Center. I'm excited about the possibilities, and he was enthusiastic.
- *Commissioner Oswill* noted the mural on a residential house in St Johns and if the PSC has any role in murals. Staff at BPS provided a response, which I can share if others are interested. It has to do with multifamily buildings versus this being residential. Susan noted we can bring something back to the PSC about the Sign Code.
- *Chair Schultz* met one of the closed-captioners at the airport when she introduced herself. So thank you to everyone behind the scenes who help with our meetings.

#### Director's Report

Susan Anderson

- September 7 is the first Council hearing for the Central City 2035 Plan. We had a work session with Council members and are continuing to meet with individual Council members. *Commissioner Baugh* will present the PSC letter. There is a second hearing scheduled for September 14.
- We will have the PSC retreat in place of the September 12 meeting (extended time, so we'll be meeting 12:30-5 p.m.). Details and agenda will follow after the PSC officers meeting on August 31. If people have items they want to discuss at the retreat, please let me or one of the officers know.
- We will continue to be in the Lincoln Room at least through September. Hopefully by our October 12 PSC meeting we'll be back in our updated commission room.

## **Consent Agenda**

- Consideration of Minutes from July 25, 2017 PSC meeting.

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

The Consent Agenda was approved with an aye vote.

(Y8 — Bachrach, Houck, Larsell, Oswill, Rudd, Schultz, Smith, Spevak)

## **Deconstruction Program Update**

Briefing: Alisa Kane

Alisa was last at the PSC in April 2016, and the program has been going since then. Today is a report back about our progress we've had in the last 6 months since the ordinance was passed by Council.

October 2016, Portland became the first city in the country to require deconstruction as opposed to mechanical demolition. There have been numerous demolitions in Portland recently; last year there was almost one per day. In These demolitions represent a significant amount of waste as well as a unique opportunity to ensure materials from Portland's housing stock do not end up in the landfill and are instead salvaged and reused here in the community.

The ordinance requires houses and duplexes built in 1916 or earlier (or designated historic regardless of age) to be deconstructed. The threshold of 1916 or earlier was chosen because it represented one-third of house demolitions in Portland in the years leading up to the ordinance. This was a significant portion of overall house and duplex demolitions, however it was right-sized in terms of what the industry could successfully take on. At this time, we're hitting about 25 percent of all demolition permits.

In order to ensure the ordinance was successful, we needed to have an adequate workforce in place at rollout. Shortly after the ordinance was approved by Council in July 2016, BPS held a 3-day hands-on training for contractors. We had 16 participants; 12 different companies (10 of which were MWESB-certified firms). Today we have 13 officially Certified Deconstruction Contractors; 5 are very active. Two of those companies were formed in direct response to the ordinance. New salvage retail facilities have opened or will open this year. The success to date has exceeded our expectations.

Ensuring we had enough companies trained and certified to do the work was critical for launch, but so too was ensuring we had newly-trained workers available to enter the workforce as summer approaches. To meet this demand, we held another training in March. We partnered with local pre-apprenticeship programs, and non-profits to recruit candidates for the training, prioritizing participation by women, people of color and other disadvantaged groups. The result was a 12-day hands on training including a diverse crew of 15 students, half of whom were women. The training took place at four different active deconstruction sites and wrapped up with a meet and greet between the students and contractors. Partners we worked with to recruit applicants/candidates. OTI, RBC, Worksystems. Over half the class was female. Everyone was from a minority population.

Alisa share stories about three of the trainees, all of which were incredibly inspired and inspiring.

The grants are sun setting. We want to continue to support the workforce training, which likely will be led by one of the firms with our input and partnership. This fall, we'll reconvene the advisory group to talk through the consideration of adding 10 years to the year-built threshold to cover half of the demolitions we'll see. We expect to take this to Council late this year with an effective date of January 2018.

*Commissioner Spevak* is wondering for homes that aren't old enough for mandatory deconstruction if we have data about homes that are deconstructed voluntarily. I've deconstructed one and am not sure how the city would know how it was deconstructed had I not also gotten one of the small deconstruction grants. If you're not in the date range, perhaps there could be an incentive (financially) to do so?

- Alisa: We can get the information about homes that are being deconstructed voluntarily.

*Commissioner St Martin* asked about costs of deconstruction and outcomes.

- Alisa: If they can sell the material, that is a huge incentive. The costs are coming down because of more competition in the market. We've heard of deconstructions being quite affordable too. I would still put deconstruction at a slight premium, but the price is coming down.
- *Commissioner Spevak* noted the cost is still 1.5-2 times to deconstruct. The other factor is there is still a foundation to remove, so you still need an excavation crew.

*Commissioner Bachrach* asked about the costs. The economic development is a great benefit. But a big goal was to reuse material. How successful are we in this program at getting reusable material?

- *Commissioner Spevak*: From my experience, we saw a demo at \$13k and \$24k for a deconstruction.
- Alisa: There are lots of variables including salvage value and the firm that's doing the work; site conditions; etc. **Now that grants are closed, we'll be getting the data, and we can provide the range of the 25 projects we supported.**

As part of the permit for deconstruction, people have to provide as proof their tip fees, receipts, etc to show they deconstructed. We will be able to do further quantitative analysis. There is a strong economic argument for the lumber, particularly from the older houses. Reuse could be as high as 99 percent.

- **Staff will do more research and provide data comparing costs of deconstruction with demolition and will provide a more detailed breakdown of the material and where it ends up.**

*Commissioner Oswill*: I know this project has been popular with neighborhoods, particularly in central east Portland. I'm impressed with the economic development aspects. What is the current workforce now, and are there are ideas on keeping the diversity and keeping opportunities for under-represented people?

- Alisa: We'll have another "econ of decon" review through a partnership with PSU as well as information about the volume of sales. In terms of training, Oregon Tradeswomen saw this as an opportunity; also, there has been an effort with a consortium of people to do work with Benson HS. We did learn lots about providing workforce training. We also worked with Work Systems, Inc.

*Chair Schultz*: This is great work. I think everyone should feel a sense of pride with the success of this program. As you go to expand and broadening the years, do we then get into a range of years where products are less salvageable? We want to be sure that the expansion includes useable material. Let's make sure we have the whole story.

- Alisa: 1920s homes through about the 1940s do retain much of their salvage value. The advisory committee is very conscious of this and will help us respond mindfully.

**Staff can plan to bring the project back to the PSC before we go back to Council for further input. Procedurally it doesn't have to come before the PSC because it's not a land use decision.**

## **Historic Resources Program Update; Historic Preservation Code Improvement Project**

Briefing: Brandon Spencer-Hartle

Brandon provided an overview to orient the full PSC about how the City has worked with historic resources... a Historic Resources 101.

*Commissioner Houck* commented on natural resource review. Once something is determined significant, you do an ESEE. Then you determine if you protect something fully or not at all. This is not required for historic resources.

We have a citywide historic resource inventory; this is not a “designation”. We also have the Historic and Conservation Landmark/District designation (a local land use decision). The National Register listing is a federal designation.

We have a [map of historic resources](#). Landmarks are individual properties. A district contains both contributing and non-contributing resources; the larger district is considered the historic resource.

Portland has not regularly updated our HRI, and it was last done in 1984. Since then, there have been numerous surveys, but we haven’t actually updated the HRI. With the support of Council last year, we did invite an outside consultant to offer recommendations about what we would do and costs if we were to move forward on an update. The consultant report will be published in late September. One issue is an equity question of resources. In 1984, we identified well in the inner ring and central city, but east Portland resources are largely absent from our inventory.

Concerning National Register listings, our Historic Landmarks Commission (PHLC) offers advisory review of nominations, nominations are vetted by the state, then approved by the National Registry program. Different protections apply to different designations, however, the City only applies demolition review to National Register resources.

The PHLC provides expertise on architectural, cultural, and historic resources; reviews alteration, addition, and new construction projects for landmarks and historic districts; and is supported by the BDS design and historic review team.

Brandon detailed three recent changes at the State level (slide 13).

*Commissioner St Martin*: In terms of the requirement of flexibility for accepted use: do you mean changing the use?

- Brandon: LUBA concluded that to protect privately-held resources, there must be economic viability. A local government can allow for economic viability in terms of zoning.

There are a number of reasons why we’re working on this code project now. We have heard from BDS staff and PHLC they are interested in changes to the Zoning Code – particularly about reviewing changes since in some areas we are too strict, and in others we may have some missed opportunities.

There are RICAP-like items that have stacked up to be a large pile including items about land divisions, minor exterior signs and vents; adjustments and modifications; rooftop solar installations; and application of historic resource review to a new National Register listing.

An opportunity is about owner consent for listing on the historic inventory. We can amend the Zoning Code to allow for the adding of properties to the inventory.

*Commissioner Bachrach*: What is the impact, legally, if my property is listed on the Portland inventory?

- Brandon: You’re either significant or not significant on the inventory. If significant, under the Goal 5 rule and owner consent law the resource has a demolition delay period. About 20 properties annually are now being removed through a by-right removal option in the zoning code, which is making our inventory less reliable and accurate. The proposal is that if you’re on the inventory, you

wouldn't be able to pull your property off. When and if we choose to do this, the Goal 5 rules serve as a best practice.

One challenge we've seen is that the National Register is something neighbors can pursue outside our local land use rules. There is broad interest in having options other than the National Register due to the one-sized-fit-all issues. We are considering revisions to local designation options that could provide a more robust land use process than is provided by the federal designation. What this looks like is still to be determined. The Zoning Code has a limited number of use-based incentive options for landmarks and districts. There are strings attached, which are discouraging people to pursue creative reuse options. So we'll look for flexibility in alternative housing types and other compatible use options (which dovetails well with the residential infill project).

Brandon and the BPS code editing team will be involved in the project. BDS will also support with their design and historic review teams, along with input from the PHLC.

There are three project focus areas:

- Specifics of how we update the HRI.
- Designation of local historic and conservation landmarks and districts with a lower owner-consent threshold.
- How and what we apply for protections of designated historic resources.

A number of potential items won't be included in this project:

- New or updated design guidelines or standards
- Designation of new landmarks or districts
- Addition or removal of properties on the HRI
- Financial incentives
- Building regulations

Coming out of the project, we hope that we'll have a clearer idea of where we might go next with these items and/or others.

We'll be updating our website and asking for input from the PHLC and PSC during the code development, as well as working with managing recommendations. City Council will be holding hearings in mid/late 2018.

We anticipate an opportunity for input via technical roundtables on different project focus areas to allow people to provide input on things they are most interested in. The PHLC and PSC will also have briefings and work sessions. We'll do further direct outreach as well as drop-in hours throughout the city. And we want to better understand what inventorying will mean to communities underrepresented in the 1984 HRI.

Is there interest from PSC members to serve on a sub-committee with others from the PHLC?

*Commissioner Spevak* has high interest in the topic from an equity aspect. He shared some history as highlighted in slides 25-26. Adopted in response to a critical lack of housing during WWII, Portland adopted a War Code that significantly reduced building code requirements so many homes to be internally divided into multiple units. But this code didn't apply everything in the city. In Class I single family and duplex zones, the War Code didn't apply – unless most nearby neighbors signed off. Hence these neighborhoods largely opted out of being part of the supply solution to that housing crisis. Back then, the city was smaller and much less of it was zoned single family than today (now about 45 percent). Fast forward, and it seems that some of these same neighborhoods have designated themselves as Historic Districts or are in the process of trying to do so. This raises the question of whether Historic Districts are becoming a way for low density, affluent

neighborhoods to opt out of a housing crisis – perhaps as some of the same neighborhoods did 75 years ago with single family zoning. Specifically, we could:

- Research whether historic landmark areas correlate more closely to geographic areas with concentrations of historic structures or areas with high income & low density
- Add new equity-based criteria for creating Landmark Districts tied, with PSC as the review body (leaving the existing criteria to be evaluated separately by the Landmark’s Commission)
- Consider adopting a moratorium on the establishment of new Landmark Districts until this code process is complete (or only grant any new districts created through the NPS process what’s minimally required, e.g. demo review/delay)

Brandon: Today our code requires unanimous consent from all residents. Within the Goal 5 framework, we have to provide demolition review to a contributing. The code project will look at how and when we apply discretionary design review lens.

Currently in Irvington, for example, you have to go through a discretionary process. So there is a lot sitting vacant because no developer wants to go through the process to build there. This also means Portland can’t include these areas where, for example, ADUs could be built. We can look at the economic incentives in the project to strike a better balance.

*Commissioner St Martin* commented on the outreach roundtables. We need to make sure the outreach for that process is extensive and robust. How does this line up with the DOZA project?

- One thing we’re not proposing is any administrative changes at BDS. That said, the PHLC is interested in learning from proposed DZ changes and might ask the DOZA team to bring these changes to them. One thing we’ll look at in DOZA is the steps for land use review; this is requested to be a parallel process at the PHLC. One point of intersection with this project is that changes will be proposed to the community design standards, which are the approval criteria in our historic districts currently.

*Chair Schultz*: Does DOZA or this project address purview of PHLC? I think this should be part of the DOZA process.

- Brandon: That hasn’t been discussed as part of this project. And the conversation between the DOZA and DZ hasn’t yet happened.

*Commissioner Rudd*: In the supreme court case, part of the court’s reasoning was that it was reasonable for the owner at the time of the designation to be able to pull their property off the list, but the person who bought it after the designation was imposed had bought it that way, so they knew what they were buying and paid accordingly. That initially made sense to be, but if I bought it thinking I could just remove the designation, I may not have actually discounted the price I paid for the property because I viewed it as no big deal. When you’re doing the scope, look at a timeframe of when people could ask to be off, even if they didn’t own it at the time of designation.

- Brandon: Local historic landmarks are not subject to demolition review, just to demo delay. If we consider applying demolition review to local landmarks, those would be good property owners to include in this discussion. 2005 is when Council raised the regulatory level to demolition review level for National Register resources, But they didn’t expand this to local historic landmarks, so we’ll be having these discussions about what to do now.

*Commissioner Oswill* has similar concerns around housing. What about the challenges between equity and historic resource designation that have clashed with gentrification and displacement issues.

- Brandon: In our approach to developing approval criteria in Chinatown/Japantown, we looked at what elements were authentic to the cultural history of the district. BDS reviews design changes based on historic nomination. They will look at the qualities that made it significant. What we’ve

been challenged with here is the designation being a voluntary effort. Our map shows that over-represented areas have pursued the designation more so than others. So we have a clear lack of honoring and celebrating the histories all communities of the city. We have lots of opportunities in this project and where we go afterwards.

If PSC members are interested in serving on the sub-committee, please let Julie know. Brandon would like assistance in challenges that come up in the process and how the PSC and PHLC review will work.

*Chair Schultz* commented on the seismic upgrade project and how it has the potential to destroy our historic corridors in terms of how it's moving. I don't know the right answer, and there are lots of points of discussion, but if we have mandatory upgrade requirements for seismic, that could be a hardship... so the buildings may very well be vacant and then demolished. Let's make sure to think about this and the history in our corridors. **This could be a discussion at our upcoming PSC retreat.**

### **Adjourn**

*Chair Shultz* adjourned the meeting at 6:54 p.m.

Submitted by Julie Ocken