

## Portland Planning and Sustainability Commission

June 26, 2018

5:00 p.m.

### Meeting Minutes

**Commissioners Present:** Jeff Bachrach (arrived 5:07 p.m.), André Baugh, Mike Houck, Andrés Oswill, Katie Larsell, Chris Smith, Katherine Schultz, Eli Spevak, Teresa St Martin, Michelle Rudd

**Commissioners Absent:** Ben Bortolazzo

**City Staff Presenting:** Sara Wright, Morgan Tracy, Sandra Wood, Joe Zehnder

*Chair Schultz* called the meeting to order at 5:01 p.m. and gave an overview of the agenda.

[Documents and Presentations for today's meeting](#)

### Items of Interest from Commissioners

*Commissioner St Martin* went to Prosper Portland's meeting about Affordable Commercial Bonus and reiterated what the PSC sent in their letter – specifically, asking for monitoring on the program.

*Commissioner Spevak* went with BPS staff to EcoNorthwest earlier today for a presentation about the environmental assessment for Seattle's ADU ordinance. One of the lessons was that the more ADUs you allow, the more likely people are to keep existing houses rather than take them down.

- *Chair Schultz:* Didn't they find, like Johnson Economics, that house size was a factor as well?
- *Commissioner Spevak:* Yes, more floor area regardless of what you build reduces the likeliness of demolition.

*Commissioner Oswill* pointed Commissioners to a one-page handout from the Portland Housing Bureau's annual State of Housing report. He appreciates the framing in the Residential Infill Project of increasing housing choice but has been grappling with the relationship between choice and affordability and who gets choice. This section of the report shows 2015 homeownership ability in the city, and you can see on the map in what neighborhoods homeownership is affordable for the average Portland household. Now it's only 122<sup>nd</sup> and Division, Centennial, Gateway, Hayden Island, Lents-Foster, and Parkrose – some of those may no longer be affordable when the report gets updated next year. The average black, Latino, native, senior, single-mother, or foreign-born households have no neighborhoods where homeownership is affordable. Roughly half the city has the option of becoming a homeowner and we should consider this when thinking about housing options.

### Director's Report

Susan Anderson

- At the PSC's suggestion, City Council adopted a resolution directing BPS to study reducing single-use plastics like straws and silverware; will report back November or so.
  - *Commissioner Oswill* has heard concerns from people in disability community about impact of eliminating straws – is this within the scope of the project?
  - Susan: Definitely – we will talk with stakeholder groups and make sure those who need a straw have access.

- *Chair Schultz* noted that NPR reported on a shortage of paper straws.
- BPS is applying for a Bloomberg America Climate Cities Challenge grant to limit carbon emissions in buildings and transportation, working with PBOT. May come to PSC for a letter of support.

### **Consent Agenda**

Consideration of Minutes from June 7, 2018 and June 12, 2018 PSC meetings.

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

The Consent Agenda was approved with an aye vote.

(Y9 – Bachrach, Baugh, Houck, Larsell, Smith, Schultz, Spevak, St Martin, Rudd)

### **Neighborhood Contact**

Briefing: Sara Wright

Sara gave a presentation on the project.

The Comp Plan update made changes to the neighborhood contact requirement in the Zoning Code, which prompted a conversation about how the requirements aren't working well. This project revisits them. It was pulled out of the Code Reconciliation Project to give more attention.

Sara described the context of neighborhood contact.

- Can happen before a building permit for by-right development, after which information becomes available.
  - Happens before the application comes to the City.
  - Decision maker at the neighborhood contact phase is applicant – they make decisions about whether to change project based on feedback.
- Development subject to Type I or II land use process goes through neighborhood contact first, then notice is mailed.
  - Decision makers for the land use review are BDS staff and there is ability to appeal (but appeal is internal and fairly constrained by Zoning Code).
  - People's ability to learn would come through notice.
  - Type III reviews include public hearing and posting onsite. Decisionmakers here are Design Commission or Hearings Officer before the building permit.
- Confusing for neighborhood, applicants, sometimes staff.

Sara gave an overview of the current thresholds for types of development and type of land use review, geography, and number of units. The thresholds are different in different places and there is not much predictability about what triggers the requirement.

Applicant must request meeting with neighborhood association (NA) by mail; NA has 14 days from send date to respond to applicant. Meeting is informational only and the applicant is the decisionmaker who can decide whether or not to listen to feedback. Must send follow up letter to NA if they have a meeting. Can be very fruitful or unpleasant.

What problems is this trying to solve?

- Reach of notice – address concerns that arise when construction comes unexpected. Only the people connected to NA communications of a well-resourced NA that takes all the steps find out about development.

- Consistency and predictability
  - Process – applicant waits for 14 days and has incentive to do a less than great job with outreach
  - Thresholds – a project may or may not trigger it depending on where in the city it is

#### Key elements of proposal

- Requirement applies to most zones for development creating >10,000 sf new building
- Applicant posts a large sign and sends an email or mail to NA, district coalition, business association (BA), and school district (for larger projects). Email is just a summary of project.
- If >25,000 sf, applicant is responsible for holding public meeting. In neighborhoods where there is no NA, we want to make sure the meeting happens.
- This raises the threshold for a meeting but applies it more evenly.

#### Solving problems:

- Reach – require on-site notice for projects >10,000 sf. Reaches those most affected. Require meeting for >25,000 sf.
- Consistency
  - Process – developer always responsible; timeline more consistent (always have 35 days)
  - Thresholds – requirement applies to all development >10,000 sf

Sara gave a comparison of the old process, current process, and proposed process and thresholds.

Sara shared a physical example of the signs. BDS will be in charge of the signs and PSC won't make decisions about the sign.

- *Commissioner St Martin* asked if the signs were only in English.
- Sara: There is translation and interpretation language at the bottom.

Sara noted she doesn't know of any other jurisdictions that post signs for by-right development. We looked at other jurisdictions' signs for comparison. She shared an example of NAs making their own signs and good and bad signs from other cities.

Sign includes space for information about meeting (if required). We struggled with where people could go to learn more, but we don't have a place at the City for people to go, so that's a challenge. At bottom, general info for BDS P&Z as well as translation and interpretation information that directs people to the City (not the applicant).

- *Commissioner Rudd*: Is there somewhere on the sign that lets people know if development is by-right?
- Sara: No, we wanted a template usable for both types (by-right and with land use review).
- *Commissioner Baugh*: The City will take on responsibility for translation, but is applicant responsible for translation services at meetings?
  - Sara: That's a tricky question; it's not City's meeting; currently NAs field translation/interpretation requests, but because outreach is limited to the NA network, they may not have had to field many. City is fielding questions but does not have staffing capacity to do translation and interpretation for meetings.
- *Commissioner Baugh*: Community involvement component of Comp Plan expands neighborhood definition from NAs to other groups for notification process, so how do we follow that?
  - Sara: Requiring sign expands notice significantly; who gets notice beyond sign is a question we're grappling with, including what should be done through code vs. programmatically or through administrative systems.

- *Commissioner Baugh* asked if we are following the Comp Plan policies.
- Sara: The requirements in Chapter 2 are about outreach for the Comp Plan to create the policies; this is about outreach for projects *developed under* the Comp Plan.

Other supporting material includes drafts of handouts to help BDS help applicants hold better meetings. Worked with the Portland Commission on Disability's Accessibility in the Built Environment subcommittee on how meetings can be more successful.

Key issues that will come up:

- Thresholds – what size project deserves a sign or meeting? Sara showed photos of buildings that would and would not be subject to requirements. She noted that some developers like to do meetings even when not required (they're always allowed).
- Meeting responsibility – some well-functioning NAs that hold meetings have expressed concern about losing control of “gold standard” of meetings that people are accustomed to and about switching to a one-off meeting instead of regular meetings. On the other hand, some land use committee chairs would rather not be responsible for responding in a short timeframe and adding to full agendas.
- Unintended consequences – more phone calls coming to BDS; more calls to applicants (though we cannot require them to respond); what's the point of the sign if you can't do anything?
- Larger universe of notification and information availability

Next steps:

- Releasing Proposed draft in a week
- PSC hearing August 14

Questions:

- *Commissioner Spevak* echoed Michelle's point about letting people know if it's only by-right or if they can get involved.
- *Commissioner Spevak* has held unrequired meetings; choosing a meeting location is difficult, and the certified notice is a clear and objective way of meeting the contact requirement, whereas someone could fill out a sign wrong or hold too short a meeting, opening the door to a process challenge from someone looking for a way to block a project. Concern about demonizing developers. Concern about call volume for small firms.
  - Sara: In code and administrative rule, there are parameters for meeting requirements and to close loopholes (e.g., if sign is vandalized).
- *Commissioner Oswill*: Signs will happen before anything is submitted to City, so if someone calls for translation, are they going to be walked through the sign's format without knowing the details of the development?
  - Sara: Would direct them to P&Z to explain what *can* be built in that area – what the rules are.
- *Commissioner Oswill*: Has the Office of Civic and Community Life weighed in on NAs as point of contact, given conversations about the role of NAs going forward?
  - Sara: Right now, they are the only point of contact and arbiter so we are expanding beyond them and engaging in the question of what organizations should and want to get notices – how much info is too much or wrong kind of info?
- *Commissioner Oswill*: Has there been discussion about any mailed notification for projects adding less than >10,000 sf that won't get a sign, or will that be too much information?
  - Sara: Not in Proposed Draft, but you'll hear testimony that anything over 1 sf should require sign and meeting, while others think the threshold should be over 100,000 sf – there will be lots of options and choices to make.

- *Commissioner Larsell*: In addition to the sign, to whom will the meeting notification go to?
  - Sara: Email will go to NA, BA, district coalition (who disperses widely), and school district (for larger projects). There are opportunities for administrative solutions, e.g., ability for people to sign up for notification, but that's not something we would put in the code.
- *Commissioner Larsell*: Will there be requirements for how far away meeting could be?
  - Sara: Proposal is within 2 miles of site – have heard that radius could be too big or small based on size of project.
  - *Commissioner Larsell*: Could they have it on the site?
  - Sara: Would want safety considerations, but yes.
- *Commissioner Smith*: How does info get distributed – we are capturing digital information for the sign, so does that sign also become a webpage?
  - Sara: BDS would have a template on website with how applicants should make sign.
  - *Commissioner Smith*: So BDS is not producing the sign?
  - Sara: No.
  - Eric Engstrom, BPS: Part of this is wrapped up in larger BDS conversation about replacing permitting system and registering signs when they put them up so people can see registry, but that's a BDS logistics issue.
  - *Commissioner Smith*: Would like to get to an open dataset; please report when that is a possibility.
- *Commissioner Baugh* is concerned about articulating responsibility for development in communities with multiple languages.
  - *Commissioner Smith*: If there's a webpage it could be translated through Google Translate.
  - *Commissioner Oswill*: Website would also address question of what happens when someone calls in and the desire of people to receive notifications.
- *Chair Schultz*: Being able to upload sign to PortlandMaps would be easy for applicant to do; if people called applicants they could send them there.
  - *Commissioner Spevak*: Could be abused because someone could add proposal without paying a fee because there's no fee before the building permit.
- *Chair Schultz*: Make sure there's some easy list of those contacts for applicants.
- *Chair Schultz*: Must happen 35 days before land use review application or permit application?
  - Sara: Whichever comes first.
  - *Chair Schultz*: Hopefully you're in close collaboration with DOZA, which is trying to shorten timelines, and this could increase them.
  - Sara: We are talking with DOZA particularly about the DAR.
- *Chair Schultz*: Notes produced by applicant don't always represent what neighborhood feels was said – should neighbors be able to respond to published meeting minutes by applicants? It's tough when applicants don't get good/useful feedback or NAs choose not to give feedback because they're waiting for a hearing – must make sure everyone is being collaborative.
  - *Commissioner Rudd* suggested requiring recording of meetings.
  - Sara: There's no requirement about content other than a summary.
- *Chair Schultz*: Must set expectations correctly and train people in NAs about what can be responded to and what applicants have right to do – that's going to get more complex.
- *Chair Schultz*: Additional phone calls will fall largely to architects. Translation will be a challenge.
- *Commissioner Baugh*: Do other cities have notification where you can sign up for notifications about your neighborhood through the city?
  - Sara: Yes; Seattle, New Orleans (can draw shape about which you want to be notified). In BTS/BDS purview.
  - *Commissioner Smith*: If you put open dataset out there, someone will do that.
- *Commissioner Rudd*: Would be good to have flexibility built in for how developers do this, e.g., put FAQs on their website.

## Residential Infill Project

Work Session: Morgan Tracy, Sandra Wood, Joe Zehnder

*Chair Schultz:* At each of the PSC meetings on the RIP proposed draft, we have addressed the potential for PSC Commissioners to have conflicts of interest related to the proposed code changes.

In general, the changes proposed with the Residential Infill Project affect such a broad class of property owners in single-family zones we do not believe they create a potential conflict of interest for PSC members. Still, in the interest of transparency, we have made the following declarations:

- Commissioners *Smith, Baugh* and *Bachrach* do not own properties in single-family zones in Portland.
- All other PSC Commissioners own between 1 and 3 properties that are in single-family zones.

I also want to add that *Commissioner Spevak* will recuse himself from participation in the deliberations and voting any changes to provisions related to cottage cluster development in the Residential Infill Project. PSC will organize its discussion so all cottage cluster elements will be discussed separately.

*Chair Schultz* noted that Commissioners will vote using a green paper on straw polls about potential amendments to denote their support for particular options. Morgan noted that staff will hold up a card for *Commissioner Bortolazzo* since he is absent. Sandra clarified that these are straw polls, not real votes on amendments.

### Presentation

Morgan introduced Erin Mick (Water Bureau), Elisabeth Reese Cadigan (BES), Eric Hesse (PBOT), and Kristin Cooper (BDS) in audience.

Morgan gave an overview of the agendas for the upcoming work sessions, a refresher on the PSC's goals for the project, and an overview of today's agenda.

The worksheet of options and proposals is what we're working off of today.

### ***Issue A – How many units?***

Morgan introduced the issue and the possible options (slide 7).

- Option 1 – Proposal: 3 units on all lots
- Option 2 – 3 units on internal lots, 4 units on corners
- Option 3 – 4 units on all lots

This discussion will focus not on form but solely numbers.

Discussion:

- *Commissioner Rudd* expressed initial hesitation with 4 units on all lots because of parking – many people will have cars for a while, so more and more 4-unit developments could overburden streets.
  - *Commissioner Smith:* If someone were building a fourplex and trying to accommodate 4 cars on an R5, what would that form look like?
    - Morgan: A parking lot with a fourplex on one side. A parking space is 250 sf, plus access for aisle. Parking would be lined up down the side with L-shaped building around it.
  - *Commissioner Smith:* In other zones we allow far more units without any on-site parking; I don't know why we would require any on-site here.

- *Commissioner Rudd*: Not saying we should have parking on the lots; just trying to balance concern of current residents.
- *Commissioner Smith*: PBOT should regulate what happens on the street; don't assign on-street parking rights to new buildings. NW is doing that now with its parking district. Preservation of on-street parking is not a good argument for limiting density.
- *Commissioner Baugh*: Cars are not disappearing tomorrow. PBOT will have to deal with that parking – who and where and how do you park? These are existing residential neighborhoods so I hesitate around the numbers. We already hear pressure from corridors at City Hall.
- Sandra noted that there is no maximum parking limit. PSC landed on not requiring parking for single-dwelling zones. Any structure type could provide any number of parking spaces; applying a limit is a possible tool in the toolbox.
- *Commissioner Houck*: We need to be thinking about how to use space; in my building more often than not there are 3 cars in a driveway and we communicate with each other; it's not a big deal. This is particularly possible where there is great transit. Consider behavioral changes.
- *Commissioner Smith*: Comp Plan says we want fewer cars with more people coming. If we don't think that's going to happen for a long time and we limit density, we're saying we don't believe in our polices and are not living up to our policies.
- *Commissioner Smith*: We all care about affordability. If we produce units that don't have parking rights associated, they will rent for less in the marketplace than those that do.
- *Commissioner Rudd*: My house in another city's historic core did not have parking because it was more affordable; there was a parking permit system, but there is a tradeoff of how you want to live your daily life. Parking permit programs may not live in the Zoning Code, and owning a house shouldn't give you priority over renters.
- *Commissioner Baugh*: Comp Plan goals should not be competing but complimentary. I believe we should not require any parking but it's a transition and communities and transportation system need time to make adjustment.
- *Commissioner Spevak*: If code changes, doesn't mean practice changes – many new single-family homes still provide garages even when not required. Will continue to happen in neighborhoods where people want to have a car. This discussion on parking is about a balancing act developers go through with customers and funders. Removing requirements takes a thumb off the scale. Let's not make the Zoning Code set the terms.
- *Commissioner Houck*: Fourplexes are a way to get to more affordable units.
- *Commissioner St Martin* asked if 4 units had to be subject to a different code.
  - Morgan confirmed that there are two building codes: 1-2 unit (including townhouses, so 3-4 units built to townhouse code could be allowed), and commercial code. More likely for fourplexes to be all or partially stacked, which pushes you into commercial code.
- *Commissioner Spevak* asked staff about the predicted utilization rates if triplexes or fourplexes were allowed with more floor area.
  - Sandra: Economic analysis focused only up to triplexes with proposed FAR; we must consider the continuum of residential zones. Four units on a 5,000 sf R5 lot would be 1 unit per 1,250 sf, which is higher than the lowest-density multi-dwelling zone.
  - *Commissioner Spevak* noted that we are also changing that code to make it more FAR-based.
  - Morgan: Economic analysis noted that FAR drives development, not unit allowances.
- Joe: This is a good discussion about how this decision implements the Comp Plan. This project is/could be widespread geographically, so getting a handle on the impacts will have to be balanced with amount of money we will have to spend on centers and corridors – there are other costs and policies in the Comp Plan.

- *Commissioner Oswill*: More units means more possibility for them to rent for less. Concern about affordability bonus, which allows a fourth unit on corners, so we must not erase benefits of affordability bonus. If we allow 4 units outright, the fourth should be affordable. If we do change the number of units allowed, should not hinder production of affordable units.
- Morgan highlighted compromise proposal for 3 units on internal lots and 4 on corners.
- *Commissioner Bachrach* asked staff to explain variations of 3 units.
  - Morgan explained housing type diagrams on worksheet – wanted to propose development types that didn't require using commercial code as well as more traditional form of larger primary structure with smaller detached accessory structure.
- *Commissioner Smith*: Federal lending standards draw line at 4 units.
  - Morgan confirmed that those lending standards apply when building such a structure.
- *Chair Schultz*: Renting out fourplex units opens up lawsuits for not meeting Fair Housing Act requirements for accessibility.
- Sandra: The more units you build, the more complicated things become, and the fewer people have the ability to build those units. In Stakeholder Advisory Committee and other outreach, we felt 3 units was pushing what the single-dwelling zoning could allow. We've shifted from zoning capacity discussions to housing choice policies.
  - *Commissioner St Martin*: If we allow 4 on all lots, the uptake will not be that big because of other barriers – it could be an opportunity but not first choice of everyone.
  - *Commissioner Houck* agreed.
- *Chair Schultz* is all for more units in general but concerned about how it could impact the form of a neighborhood. Leaning toward 3 on interior lots and 4 on corners. Triplex with ADU on corner is an awkward situation. Internal conversion could easily create 4 units without impacting form; more concerned about scale.

Straw poll:

- Option 1 – 2 votes
- Option 2 – 4 votes
- Option 3 – 4 votes (plus Bortolazzo says he's open to it)

*Commissioner Oswill* reiterated support for affordability bonus and urged staff to maintain its benefits as an incentive.

### ***Issue B – On what size lots?***

Morgan introduced the issue and the possible options (slide 8)

- Option 1 – Proposal: larger lot sizes required for more units (see chart)
- Option 2 – Reduce R7 minimum lot size to 5,000 sf

Discussion

- Sandra noted that this question becomes more important since the PSC voted in a straw poll to increase floor area for more units.
- *Commissioner Spevak* noted the rationale for Option 2. Morgan described how the corner lot duplex minimum was previously changed from 3,000 to 4,500 for R5, but R7 minimum lot size for that did not increase (4,200 sf). Part of our proposal was to bring that into better alignment. *Commissioner Spevak* noted that 10 Percent of R7 lots are between 5,000 and 6,300 sf. This option should be available to them.



- *Chair Schultz*: Smaller lot sizes would be incentivizing smaller homes, but we're going in the direction of larger minimum lot sizes, so does that create the potential to put one single larger home instead of more units?
  - Morgan: We're not changing land division code.
- *Commissioner Smith*: We have an FAR limit, so why do we need an additional limit on lot size on top of that? The chance that you'll build a lot of units on a small lot within the FAR allowed for that lot reduces the chance you'll build them, right?
  - Morgan: We wanted to create something that would allow about 1,200 sf per unit for a duplex.
  - *Commissioner Smith*: So we wouldn't allow the single-dwelling equivalent of a micro-apartment?
  - Morgan: Correct.
  - *Commissioner Spevak* agrees with *Commissioner Smith* – if we use FAR, this becomes maybe unnecessary.
  - *Commissioner Oswill*: re: what is too small for a unit, important to keep in mind that ADUs are allowed up to 800 sf and are complete living spaces.
- *Chair Schultz*: FAR aside, doesn't building coverage cover this?
  - Sandra: Depends on how big structure is too, would it be okay to put triplex on 3,200 sf lot in R2.5 zone? Should calibrate with multi-dwelling zones, but perhaps you're saying leave it to the market because FAR could address it.
  - Morgan: Also relates to lots of record/underlying lot lines – must consider that those lots could be confirmed and developed separately.
- *Chair Schultz* is not hung up on the number of units, and smaller units are more affordable, so it's more about what's left over for green in our city. As long as we have some requirement for that, the connection to minimum lot size seems unimportant.
- *Commissioner Baugh*: If we had decided FAR, would we be having this discussion?
  - Sandra: Form of structure is decided; lot size is not. Question is if you had a 1,600-sf lot in R2.5 (which is minimum lot size standard), are you okay with allowing 3-4 units on every single one of those sites?
  - *Chair Schultz*: If we look at image 8 for variations of 4 units, are we talking about what minimum lot size is acceptable?
  - Sandra: Yes; we're discussing how many units you can put on what size lot.
  - *Chair Schultz*: So if we had a minimum lot size and cut the duplex in half, we would say you can't do that because it's too many units on a small lot?
  - *Commissioner Smith*: This is effectively a limit on a minimum size of a lot, which I don't think we need.
- *Commissioner Spevak* proposed an alternate option of ditching this minimum lot size table. If you can live with the building size limits, this is unnecessary.
- Joe: We're talking about land that's historically been developed for single-dwelling development; one of the reasons we want to get the size of structure right and care less about number of units is for concern about form of neighborhoods – keep in mind when thinking about eliminating requirements.
- *Commissioner St Martin* asked whether minimum lot size has been the primary controlling factor that developers have looked at to determine what they can do. Sandra confirmed this is not the limiting factor, so *Commissioner St Martin* expressed that it seems extraneous.
- *Commissioner Smith* asked staff to translate these numbers into units per acre to compare to transit benchmarks.
  - Morgan: 27 lots of 1,600 sf x 3 units = 81 units/acre
  - *Commissioner Smith* noted that this is very transit supportive.
  - Sandra: Maybe denser than RH

- Sandra noted that there is no density calculation for single-dwelling zones now.
- *Commissioner Baugh* confirmed this is a methodology to control number of units by lot size.
- *Commissioner Bachrach*: We're losing track of the fact that these are still single-family zones; at some point that will become a misnomer. Staff is protecting against units that are too small that could blow the concept of the single-family zone with micro-units.
- *Commissioner Smith*: To provide a frame, we are trying to track 3 things in single-dwelling zoning:
  - Maximum building envelope
  - How many people on a lot
  - How many cars

I don't want to be afraid of more people; they are not problem. In WWII these neighborhoods accommodated this level of density; these neighborhoods have done it before. If we're afraid of the cars, let's talk more about how we separate the cars from the people.

- *Commissioner Baugh*: Cumulative effect of all the cuts to the single-family neighborhood. Staff, please make a tally of these cuts after we make straw decisions.
  - *Joe*: We will have to do such an analysis no matter what. Strategically, 4 units on every lot is pretty much multifamily but that may be the right thing to do. In the next set of questions, you will decide where that's allowed. When going through the legislative process we must consider what we have to defend against; we may not be reaching something likely to happen through a difficult process.
  - *Commissioner Houck*: Reminds us of Region 2040 planning – we do need to push the envelope but we do need to understand the impacts before we take a final vote. Now we are pushing the envelope.
- *Chair Schultz*: Can you accomplish what this table is trying to achieve through other means, e.g., FAR, building coverage, scale, open space requirements?
  - *Morgan*: If concern is about overdevelopment of square footage, that is covered. This is more about units.
  - *Chair Schultz*: Which is not necessarily tied to number of people.
- *Commissioner Oswill*: We were concerned we'd allow single-family homes bigger than what we wanted and now we're concern that the units will be too small. Re-anchor us in utilization rates.
- *Commissioner Larsell*: Coming down on staff's side because they listened to everyone – both those who pushed us to build out as well as people living in neighborhoods.

Straw poll:

- Option 1 – 3 votes
- Option 2 – 4 votes
- Option 3 (Spevak): remove minimum lot size requirements – 3 votes

### ***Issue C – In what form?***

Morgan showed the 3- and 4-unit form options (slides 9-10).

- Note: "MD devpt" means multi-dwelling development.
- *Commissioner Spevak* noted that these diagrams are showing site plans that exceed code allowances for building coverage (these are not to scale). These would be constrained within an envelope that is not shown here.

Sandra shared staff's position on differentiating corner lots, which have two frontages and avoid some of the poor outcomes we've seen elsewhere where development on internal lots all face interior lot line (not front).

Discussion:

- *Commissioner St Martin*: When you have ADUs that are attached, it's hard to make distinction between little buildings that are detached and equal sized units that are attached. If you can put the ADUs in the backyard, why not just have a fourplex?
- *Commissioner Smith*: We may want to look not at FAR but what the street frontage is, so it seems we'd think there's a difference for corner lots. To me, not a big difference, but the theory says it should be important.
- Susan suggested voting on 4-unit options since we haven't decided on 3 or 4 units.

Straw polls on 4-unit form options:

- Form 7
  - Internal – 9 votes
  - Corner – 7 votes
- Form 8
  - Internal – 9 votes
  - Corner – 8 votes
- Form 9
  - Internal – 5 votes
  - Corner – 6 votes
- Form 10
  - Internal – 7 votes
  - Corner – 6 votes
- Form 11
  - Internal – 8 votes
  - Corner – 9 votes
- Form 12
  - Internal – 7 votes
  - Corner – 8 votes
- Form 13
  - Internal – 5 votes
  - Corner – 6 votes

Discussion about straw poll:

- Sandra is curious about the thinking to differentiate corners from internal.
- *Chair Schultz*: Fewer people liked options on corner lots than internally – at least for 7, 8, 10. Why? One option for this reasoning is focusing on structures in someone's backyard versus being able to see them from two streets.
  - *Commissioner Baugh* agreed with this reasoning – what would I see on two faces versus one?
- *Commissioner Spevak*: Portland typically caps lot coverage at 50% plus a cap on detached accessory structures in this proposal, so regardless of these options you could not build them based on other constraints.
- *Commissioner Spevak*: Historically, corners are where you see L-shaped quads, which is a natural development type for attached ownership options. In the past we've seen midblock quads like Mike's with L-shaped rowhouse forms on the corner.
- *Chair Schultz*: I was thinking about walking through a coastal town in Southern California with single-family neighborhoods that have alleys with many little houses, so this could set the potential for that. The configuration wasn't so important, though I am struggling with triplex plus ADU form.
  - *Commissioner St Martin*: Triplex with ADU would be an addition to existing building, probably not new construction.

- *Commissioner Bachrach*: If we go to 4 units, do we want to regulate how you have to configure them? Let's see what developers come up with.
- *Commissioner Smith* did not distinguish between corners and internal lots; voted against anything with more than 3 structures; main thing is to work on visual impact and bulk and four structures seemed like too far.

**Issue D – Allow additional units by-right, or require some other public benefit?**

Options (slide 11):

- Option 1 – Proposal:
  - 3<sup>rd</sup> unit must be visitable
  - 4<sup>th</sup> unit must be affordable
- Option 2 – Allow X units by-right.
- Option 3 Other – \_\_\_\_\_ [Commissioners can propose]

Discussion:

- *Commissioner Baugh* brought up another option: Require visitability for 4 units?
  - *Sandra*: The 4<sup>th</sup> unit visitable and the 5<sup>th</sup> affordable?
  - *Chair Schultz*: Another way of saying that is require visitability to get to the maximum.
- *Commissioner St Martin*: Maybe 4<sup>th</sup> is visitable and you have to put some money into affordable housing fund (because regulating affordable units all over the place would be difficult).
- *Commissioner Larsell* spoke for staff proposal because we want more people to be able to live in these 4<sup>th</sup> units so if we want to make sure people can afford it, that 4<sup>th</sup> unit should be affordable.
- *Commissioner Smith* also agrees with staff proposal and wants to address affordability. We predict the market is 100-120% MFI and affordability proposal is for 80%, so it's worth it to try to stretch it. These public benefits are a counterbalancing force on the market. Creates a regulated market.
- *Commissioner Rudd* asked about how affordability requirements play out for multigenerational households.
- *Commissioner Bachrach*: If the 4<sup>th</sup> has to be affordable, the only that would try to do it are nonprofit affordable housing providers and I don't know if that's a realistic market for those entities because of commercial code requirements, etc. For every 4<sup>th</sup> affordable unit you get, you'll lose a couple market-rate units.
- *Commissioner Bachrach*: For visitability, we don't have a sense of the costs. We don't know how much will undermine getting a third unit. BDS suggested leaving visitability for building code process.
  - *Commissioner Spevak* agrees. Visitability requirement hits smaller units hardest.
  - *Chair Schultz*' understanding that the hit is less of cost but configuration. *Commissioner Spevak* confirmed.
- *Commissioner Spevak* heard testimony about affordability requirement related to family-sized units and nonprofits having a competitive chance to get bonus. Affordability requirement should be FAR so that they can make family-sized units.
- *Commissioner Baugh* brought up *Andres*' State of Housing page – minorities are not going to be able to afford 80% MFI affordability. This is not manageable – small units across city – so make them pay into the fund.
  - *Chair Schultz* agrees – putting up a false hope for affordable units that may not get built. Also thinking of someone who already owns a home adding a fourth unit, and this would threaten that possibility.
- *Chair Schultz* confirmed that only one of the units would have to be visitable on the lot.
  - *Morgan* clarified that for new construction, one out of the maximum number of units would have to be visitable, but existing structures/internal conversions would be exempt.
- *Chair Schultz* asked if we should require visitability for new single-family homes instead of ADUs.

- *Commissioner Smith* asked how close current building code is to visitability and how far we'd have to go.
  - Morgan: Building code doesn't stipulate how you get into the house. The front door width is 32" minimum. Bathroom fixture clearance standards exist but do not require turning radius for wheelchair. Big impact is size of bathroom to accommodate wheelchair, and there's no requirement for living space on the ground floor, so you frequently see a garage on the ground floor with steps to above.
  - *Commissioner Smith*: So we're not very close to the building code.
- *Chair Schultz*: What's the path to getting it into the building code?
  - Sandra: The state building code would need to be amended. We have started conversations about internal conversions and visitability, and it's different for single- and multi-dwelling zones. It's a long process. We could put it in the PSC letter to get direction from Council to keep working on it at state level.
- *Commissioner Oswill*: Fourth unit allowed with in-lieu fee could be an option to accomplish more unit goals and affordability goals.
- *Commissioner Spevak*: Building more living area gives a competitive advantage to affordable housing developers, and staff says land value is more dependent on FAR than number of units.
- *Commissioner Oswill*: 4 units by right would decrease the uptake of the in-lieu fee. Would also support additional incentive options.
- *Commissioner Oswill* is concerned that FAR bonus amounts to buying additional FAR for a bigger structure. We should not delude ourselves but be more explicit about paying into a fund if we want that.
- *Commissioner Smith* noted that we voted last time to allow paying into a fund to get additional .1 FAR.
- *Commissioner Spevak*: Scale of these zones leaves no way to incent a for-profit developer to build an affordable unit. Trying to get as much affordability as possible.
- Joe: Let's come back with an incentive that would work for an affordable housing developer to take advantage of this bonus. Depends on FAR decision.

#### Straw poll:

- Maximum number allowed only if the one of the units is visitable – 6 votes
- Writing a letter supporting studying state building code amendments to make every new single-family home visitable – 7 votes
- Maximum number allowed only if one of the units is affordable on site (no fee in lieu) – 0 votes
- Maximum number allowed only if you pay in-lieu fee to affordable housing unit (or build affordable unit) – 5 votes
  - Note: *Commissioner Smith* clarified with staff that Housing Bureau would set rates and would change over time
- Four units allowed by right with additional FAR allowed if you pay into fund or build affordable unit on site – *poll not taken*.

#### ***Fee simple units***

Morgan gave an overview of existing limitation on allowing duplex/triplex lots to be divided and staff's rationale – they are a different type of housing and doing so would reflect a rezone from R5 to R2.5 lot sizes, so rezoning may be a more appropriate approach.

#### Options (slide 12):

- Option 1 – Proposal: Not proposed

- Option 2 – Allow land divisions
  - RF-R5: 1,600 lots
  - R2.5: no minimum lot size

Discussion:

- *Commissioner Spevak* explained the corner lot duplex land division that exists, and his proposal (Option 2, above) would still regulate the scale of duplexes – people’s main complaint – but allow to drop a property line after the size limit was applied.
- *Commissioner St Martin*: Coop is another form of ownership.
  - *Commissioner Spevak*: There’s only one legal housing coop in the state of Oregon.
- *Commissioner Oswill* notes that triplex with each unit on its own lots creates more lower-cost homeownership opportunities, and condominium ownership is not prevalent in this market, especially for smaller structures given the burdens.
  - *Chair Schultz* agrees that the liability around condos makes them less attractive.
- *Chair Schultz*: We are creating smaller places that are more affordable but we may be reducing the number of rentals.
- Joe: This would align with your goal of creating more housing options. There was no prioritization of valuing ownership over rentals.
- Joe: This would turn it into a different zone and we should probably just do that.
- *Commissioner Smith*: Economic analysis noted that developers are more likely to go for ownership units.
  - Joe: Yes, there is a big market of people who are interested in that size.
- *Commissioner Bachrach* confirmed that allowing this would not change form of property, and determining ownership or rental is going too far – allowing the option of dropping the lot line is doing what we set out to do, allow more housing options.
  - Joe: But in the long run we’ve created more individual property owners and deeds, which creates more permanence in lot configuration. There are other drawbacks. Means we are prioritizing owners over renters.
  - Morgan: Duplex can be side-by-side or stacked or front-and-back; when we allow to drop property lines we will get one form.
  - Sandra: Also must separate utilities.
- *Commissioner Baugh*: What’s the cumulative effect of land divisions on infrastructure bureaus? Would PBOT require 3 driveways?
  - Sandra: No, because parking is not required in Zoning Code. Our next discussion concerns changing R2.5 regulations around parking. Doing this would leave few differences between the zones (R5 and R2.5) and the question of whether it’s worth even keeping both.
- *Commissioner Oswill*: Would not increase cost of development or rental potential of the spaces, but might offer different homeownership opportunities and would increase number of housing choices. Understand it does depart from how we are used to doing things, but doesn’t seem like it would substantially change buildings in the way we’ve heard pushback about from the community.
- *Chair Schultz* confirmed that most developers divide land before building unit, so each lot would then be subject to size limits (not the one structure).
  - *Commissioner Spevak* confirmed that he modeled it off the corner lot duplex code, which divides the lot after it is built. Would be fine with not allowing ADUs for these situations and effectively only applying it to duplexes and triplexes.
- *Commissioner Spevak*: People are doing condos in these situations – when it doesn’t make sense – to avoid the subdivision process.
- *Commissioner Rudd* worries about this encouraging more redevelopment and displacing people in existing houses as well as climate impacts of redevelopment.

Straw poll: Is there enough support to study the option to drop lot lines as per Option 2?

- 6 votes

**Where to allow the additional housing types?**

Sandra gave an overview of the staff proposal. Covers 60% single-dwelling lots in the City; 80,000 lots.

Sandra described the options with some questions/discussion from Commissioners:

- Option 1 – Staff proposal
- Option 2 – Build-a-map
  - **Remove RF, R20, R10**
    - 12% of single-dwelling lots
    - Cost of infrastructure needed to serve more people in those places is a concern
    - Most of the constraints are in these areas; that's why they're zoned for low density
  - Natural hazards
    - **Steep slopes and landslide history**
      - Landslide history is a series of maps by USGS periodically updated.
      - Landslide hazard maps are larger and landslide history is much more specific
    - **Floodplain**
  - Infrastructure
    - **Sewer** (areas on septic fields – no service)
      - *Commissioner Spevak*: You could build a 6,800-sf house today on these lots, correct?
      - Elisabeth Reese Cadigan from BES confirmed that you could build if you have room for a septic field.
      - Erin Mick from Water Bureau noted that state code requires that a certain gallons/day limit is met by your septic field, so to add an ADU you have to demonstrate that and add lines to serve that ADU.
      - Elisabeth: It's very costly for people to add sewer service; we end up with many unhappy customers who don't anticipate the cost.
      - *Commissioner Baugh*: We are also a sustainability commission; just because someone could do something doesn't mean it's a good idea.
      - *Commissioner St Martin*: Are there plans to improve sewer service in relatively close-in east side?
        - Elisabeth: Very expensive and serving few people, so cannot predict when may happen.
      - *Commissioner Spevak*: We are significantly downsizing what's allowed to be built. In other cities, availability of infrastructure resources is a classic way to exclude smaller housing types and household compositions. If you allow a single-family house two times as big as what's allowed today, we should be able to allow housing there in the future. We already have other regulations that would prevent development in inappropriate situations.
      - *Chair Schultz*: Are there any of these sewer constraints in the zones we just voted to include?
        - *Morgan*: Only a tiny amount in Southwest.
    - **Stormwater**
      - Sandra noted BLI constraints; stormwater is difficult to manage here; soils are unsuited for infiltration. All of Southwest.
      - Elisabeth: Was distance to alternative disposal point also included?

- *Commissioner Baugh*: Would an ADU trigger a waiver or control of stormwater on site?
  - Elisabeth: No to the waiver, but if there's more than 5,000 sf on site, then yes to control.
- *Commissioner Smith*: Issue here is impervious surface and we are constraining FAR/lot coverage.
- Morgan: Part of this speaks to form – consider a down-sloping lot that drains into the street system.
- Elisabeth: Increasing opportunity could accelerate development faster than we are planning to be able to address issues.
- *Commissioner Baugh*: Do unimproved streets make this more complicated?
  - Elisabeth: Street improvements create more runoff that needs to be managed.
- *Commissioner Houck* confirmed that BES letter said they could live with the impacts of the proposal. Elisabeth added that the system cannot support the current situation.
- *Commissioner Smith*: How much of Southwest is left if we remove stormwater? (Compare to proposed map.)
- *Commissioner Spevak* clarified the building coverage would not change.
- **Streets not maintained by the City** (e.g., unimproved, gravel, private)
  - Sandra: This is codified in the proposal, not in a map, because the conditions change often.
  - *Commissioner Rudd*: Why not allow it on private streets? Morgan: They're not inventoried as improved/unimproved, gravel, etc. and they are subject to shared maintenance by all property owners
  - *Commissioner Baugh*: These streets do not have sidewalks, so connectivity under the TSP is not considered sufficient for transit, correct?
    - Eric Hesse from PBOT confirmed they would not be transit routes.
  - *Commissioner Smith*: State highways are removed – does this mean 82<sup>nd</sup> is not included?
    - Joe: There is likely no single-dwelling zoning on 82<sup>nd</sup> and not much on state highways generally.
  - *Commissioner Smith* prefers as many constraints as possible be codified because they change over time.
  - *Commissioner Smith*: Burden of unwise development can fall on the city/general public or developers, and in the case of unmaintained or private streets it falls on the developer. Will not vote for this.
  - *Commissioner Spevak*: Private streets should be eligible because there are parts of the city where subdivisions are only possible with private streets, so all those would be ineligible. Will not support this option but if it comes back I would amend it to say private streets would be eligible.
- Some Plan Districts and Overlays
  - **Johnson Creek Plan District** due to transfer of development rights. Plan district is much larger than the floodplain.
    - *Commissioner Smith*: What is the rationale for the district boundaries?
    - Morgan: Unknown, but includes areas of floodway, etc.
    - Sandra decided to skip the straw poll for this vote because we did not have enough information.



- **Northwest Hills Plan District** – hardly any single-family residential zones; some in Linnton.
- Option 3 – Baugh’s alternative overlay geography (Willamette River, Fremont, 80<sup>th</sup> to Lincoln, Lincoln to 52<sup>nd</sup>, 52<sup>nd</sup> to southern city limits)

*Note:* Not all maps were considered and the discussion will continue at a future work session on July 10.

Straw poll:

- Option 1 – Staff proposal
- Option 2 – Build-a-map (subtractions)
  - **Remove RF, R10, R20** – 10 votes
  - Natural hazards
    - **Steep slopes and landslide history** – 9 votes
    - **Floodplain** – 8 votes
  - Infrastructure
    - **Sewer** – 8 votes
    - **Stormwater**
      - Vote for staff’s proposal (which has less subtraction because stormwater is an aggregate constraint) – 6 votes
      - Accept stormwater as a base constraint (one-strike-you’re-out) – 2 votes
    - Streets not maintained by the City
      - Streets not maintained by the City (staff proposal) – 5 votes
      - Amendment: Do not exclude private streets that are improved and state highways (Spevak) – 8 votes
  - Some Plan Districts and Overlays
    - **Northwest Hills Plan District** – 8 votes

*Note:* Not all maps were voted on via straw poll and the discussion will continue at a future work session on July 10.

### **Next steps**

Next work session is July 10 and RIP staff will adjust the discussion topics for that meeting.

### **Adjourn**

*Chair Schultz* adjourned the meeting at 9:07 p.m.