

Portland Planning and Sustainability Commission

September 11, 2018

12:30 p.m.

Meeting Minutes

Commissioners Present: André Baugh, Ben Bortolazzo, Katie Larsell, Andrés Oswill (left at 2:30 p.m.), Chris Smith, Michelle Rudd, Katherine Schultz, Eli Spevak

Commissioners Absent: Jeff Bachrach, Mike Houck, Teresa St Martin

City Staff Presenting: Bill Cunningham, Tom Armstrong, Sandra Wood, Morgan Tracy, Joe Zehnder

Chair Schultz called the meeting to order at 12:31 p.m. and gave an overview of the agenda.

Documents and Presentations for today's meeting

Items of Interest from Commissioners

Commissioner Rudd noted that last week Council passed a resolution to continue to invest in the Lents Stabilization and Job Creation project. Flood insurance has been increasing at such a rapid rate in this area. Reps from City bureaus, state agencies, local residents and business have been working to keep people in their homes and look at opportunities to increase job density on those properties with good-wage jobs for residents. The opportunity for creating additional open space to serve as flood water storage during flood events was also explored. Housing, job creation and increasing green space were key initiatives of the work. It was phenomenal to see everyone working to the greater goal and trying to figure out strategies. There's been national attention related to the housing component and helping people right-size their insurance.

Commissioner Smith attended an event yesterday on 122nd where TriMet and PBOT were celebrating the new frequent-service line. The noise we made about service in East Portland is a good sign, and I hope it will continue.

Commissioner Oswill asked about public testimony that had been disrespectful in public hearings. Can we have a standard that we can remind people of?

- Joe: We have talked with equity program staff and just need to draft and bring this back.

Commissioner Oswill commented on testimony for the MDP project. Is there a way to develop an early feedback mechanism at big hearings so people know about how long people could have stayed and discuss the project? People could have deferred their testimony time to give the PSC time to deliberate.

- *Chair Schultz* noted that people are looking for impact prior to our deliberations. I can do a better job in reminding people that if they have the same comment as others who have spoken that they can raise their hands to signify they have the same testimony as what's being presented. When we expect a lot of testimony, we do try to map out time. We usually have a "backup plan" if we find we're going to run over, but we also want to be sure to give people their opportunity to speak.
- *Commissioner Smith* noted he wants to give the community the maximum opportunity to speak. MDP was a unique occurrence. I would be careful of anything that looks like we're discouraging people from sharing their input.

Commissioner Smith commented on Vision Zero and the update we received. As of the end of August, 23 fatalities on our streets this year. This is still horrific but lower than that point as the last three years. Look at the list of accomplishments and planned actions. I'm glad we're continuing to focus on this.

Julie: There is a group of planning commissioners from Sacramento coming in early October. They'd be interested in meeting with PSC members on various topics, so please let me know if you'd be interested in meeting with them. They'll likely come to our PSC meeting on October 9.

Director's Report

Joe Zehnder

- We have received two appeals to CC2035: One related to height in Chinatown/Japantown, and the other related to Riverfront property on the central eastside. Next steps:
 - Staff and the City Attorney are in the process of preparing the record. We expect to have it to LUBA by end of October.
 - Then there is a process for people to object to the record, any appeals and our responses.
 - And then LUBA writes a decision. Likely sometime in 2019.
 - In the meantime, the CC2035 regulations are in effect.
- The Comp Plan is at the Court of Appeals
 - The appeal was filed on August 29.
 - We don't have full information yet on the appeal, but we believe it is related to the Policy on Middle Housing.
 - Once the appellants file the full argument, it will likely take a year or more to resolve, meaning late 2019 or even early 2020.
 - Similar as to the CC appeal, the Comp Plan are in effect now.
- The Global Climate Action Summit is happening this week in San Francisco. The Mayor and his staff, and Andria Jacob and Susan will attend. They'll be presenting on various topics such as energy efficiency, renewables, waste and transportation. Thousands of people from around the world are anticipated to attend the event. The focus is primarily on what businesses, local governments and NGOs can do to accelerate action. In addition to the main conference, there will be more than 300 separate affiliate events held this week in SF by non-profits, universities, private companies and more.

Consent Agenda

- Consideration of Minutes from August 28, 2018 PSC meeting

Commissioner Smith moved to approve consent agenda. *Commissioner Baugh* seconded.

(Y7 – Baugh, Bortolazzo, Larsell, Rudd, Smith, Schultz, Spevak)

Better Housing by Design

Briefing: Bill Cunningham, Tom Armstrong

Presentation

Bill introduced the project and reminded the Commission of their hearing in June. Today's session is to set the table for the PSC work sessions that will follow in the next few months. Today we'll provide a refresher

about the proposal, an overview of testimony we received as well as looking at the schedule and topics for the upcoming work sessions.

Bill walked through the background information about the project, the Proposed Draft components (particularly Volume 1), and major topics of the proposal:

- Diverse Housing Options and Affordability
- Outdoor Spaces and Green Elements
- Building Design and Scale
- East Portland Standards and Street Connections

He gave examples and specifics about each topic. Regulating by unit scale versus unit density is one of the main proposals. We're also proposing a new zone naming scheme.

Other topics in the proposal include allowing small-scale commercial uses on major corridors; requirements on outdoor spaces and green elements; surface parking limitations; parking requirement reductions; TDM requirements in multi-dwelling zones; garages; setbacks; and a number of other topics.

BHD received 270 pieces of testimony via the Map App and orally. The most comments were about density/FAR and parking.

Bill then walked through the draft schedule for PSC work sessions in the upcoming months. If PSC members have proposed changes or issues you want to discuss, please provide those topics by this Friday, September 14, particularly for the items on the September 25 agenda.

Discussion

Commissioner Baugh asked about the bonus transfer and if it can be transferred anywhere in the city. Is the PBOT Connected Centers proposal separate, or is that actually connected?

- Bill: Yes, it could except within historic districts and the Central City. The PBOT Connected Centers strategy doesn't have a formal vote with the PSC. Ultimately it will be Council that approves those. PSC looks at the zoning code proposals that relate to that though.

Commissioner Rudd: In the TDM discussion, I saw something about paying into the fund and transit passes going to low-income residents first. What about prioritizing people who don't have cars? Or if people who are otherwise cost-burdened (e.g. student loans)?

- Bill: In terms of TDM requirements, some are in the zoning code. The PSC's purview is about if the requirement is in the zoning code.

Commissioner Spevak: I have already sent some questions to staff about the proposal. A topic that I'm interested in is the main street question of setbacks and abutting commercial properties. Historic Conservation District exclusions are another concern. I want a thoughtful discussion about this.

Commissioner Rudd: You said that in historic we're going to 75 feet instead of 100 feet. Would you actually be able to get to 75 feet?

- Bill: The Portland Historic Landmarks Commission (PHLC) has purview over the height ultimately, but yes, we're looking at a 75' maximum. You might not be able to fully realize this though.

Chair *Schultz*: I want to ensure we're getting everything aligned, and we don't put into code things we know that PHLC doesn't allow. My concern that there may be neighborhoods that this part of the proposal will trigger them to go straight to historic. I want to see more specifics about this.

Commissioner Oswill: I appreciate the moderate family income housing concept. But I want more details about this to close the loop to make sure it will work. I appreciate the response about parking and people with mobility/disability concerns.

- *Bill:* We have an existing 3-bedroom bonus in the multi-dwelling zones. But in terms of bonuses, we do have this allowance. We will talk about parking and requirements on November 13.

Commissioner Larsell: There was testimony in concern from people who are currently R2 and their feeling that they'd lose ability to develop in the new zoning. I am also concerned about parking.

Commissioner Bortolazzo: Can we talk about calibration of some of the new requirements e.g. minimum density and visitability? I just want to understand a bit more about it.

Commissioner Oswill: In the displacement analysis, we see the assessment for the proposed change. Can we also see the displacement risk for current zoning so we see a comparison?

Commissioner Spevak: There are a few places in the code that say if it's zoned multi-family but is functionally used like a single-family zone, I think we can look at winnowing out that language.

Chair Schultz: As I was going through the material, I was trying to put together where the overlap is with RIP. As we've made proposed changes with RIP, how does that adjust or get reflected in this proposal (if at all)? I also hope we can also walk through the visitability component because it's confusing to me.

Residential Infill Project

Work Session: Sandra Wood, Morgan Tracy

Presentation

Sandra introduced today's session. We are looking at the revised proposal and getting the PSC's tentative direction. Later in the fall, staff will return with the revised proposed draft including code and commentary and the staff report.

We're looking for confirmation of the PCSs direction to staff and the package of revised proposals. Of the 12, 3 are critical for staff's next steps (slide 4).

Joe reminded the PSC about their main goals for RIP (slide 5). The main question: does this package get to the goals we've agreed on?

Morgan: The revised proposal allows for more housing types including 4-plexes (slide 10). *Commissioner Bachrach* provided comments on this and noted allowing 4-plexes is too far and undermines the package.

Commissioner Bortolazzo: I initially thought 3 was good; I've been agnostic between 3 and 4, so leaving the option open for 4 is ok with me.

Commissioner Rudd: I voted for the triplex approach. I do think a 4-plex is a bigger burden and a big change.

Commissioner Baugh: The 4-plex seems like an over-reach to me. I'd like to see it scaled back, but I do understand the push to provide lots of options, but I don't know if this gets to the goals. It puts lots on the residents very quickly.

Commissioner Spevak: We wanted to respond to public frustration about a few things. I get we're a policy-recommending body, and allowing up to 4 units is fine. We know it won't happen frequently to actually be built, but allowing for it as a policy is a good option.

Commissioner Oswill: I'm agnostic on the number of units. Density is a good goal that we need to look at. Equitable benefits and costs got more mentions from PSC members as a goal. But I don't see this in all areas of the proposal. I see a need for a fee-in lieu bonus.

Commissioner Larsell: I still think 4 is too many, but I'd go for it if I felt like it were a benefit (e.g. to a non-profit for low-income housing).

Commissioner Smith: The 4-plex option may help the non-profits. Also, there is a distinction between what may and what is likely to happen. Here we're trying to grow the "may" to see the "likely" more often. In a previous session, *Commissioner Houck* noted the 4-plex he lives in in a zone that is single-family, but it fits into the area well. We've done lots to limit the size of buildings. But we did not allow FAR bonus for the fourth unit, so it won't be bigger than a 3-plex. I want to let as many people live in these neighborhoods as we can. If it's about cars, we have done little in this package to limit parking. In general we're still allowing people to build parking. *Bachrach's* comments about allowing a larger house; not having a revenue stream for affordability, I could get behind this as a compromise. We are a policy body; Council gets to deal with the politics of this. Don't put too much weight on the getting it adopted piece.

Chair Schultz: I agree with *Commissioner Smith's* comments. I need the economic analysis to truly understand the impact. Is it possible to run the analysis for both 4- and 3-plexes?

- Sandra: It would be better to run the economic analysis at 4. The FAR was a main component that changed the uptake of the units. We could run the analysis so we see the book-ends. Let's continue on through the rest of the proposal with the FAR discussion to see about that as well.

Commissioner Larsell: I had noticed BHD had an anti-displacement study that was broader and richer than the one we had with RIP. Could this study be stronger and updated?

- Sandra: Staff learned from this project and improved it with BHD, so we can check back with them about updating the RIP study too. We also have to look at transportation requirements.

Joe: I hear a heightened concern about getting a package recommended. We'll look at if the margin between 3 and 4 advances the PSC's goals. At Council, the level of concern will be heightened. The worst case is going to be what Council sees most often. We need to see displacement, traffic and demolition economics together.

Chair Schultz: I just received a note from *Commissioner Houck*, who says he supports the revised RIP package as it stands.

The next topic is to limit the overall size of structures on a lot, largely about setting a maximum FAR that is less than what it achievable today.

Commissioner Bachrach's comment was that he was concerned about a house and adding an ADU that would put you above 3,000 square feet and not getting the bonus.

Commissioner Bortolazzo: I think this package goes quite far. I agree the principle of reducing the overall FAR allowance. Just below half of what it is today is where I'd feel more comfortable. 2,500 is too low and takes out some flexibility and options that we're trying to increase.

Chair Schultz: In terms of the economic analysis, are you comparing a 2,500 square foot re: FAR (not counting the basement or attic)? These numbers reflect the possibility of a much larger FAR.

- Morgan: In the unlikely extreme, you could build almost unlimitedly underground. The issue with basement construction is it's expensive and less valuable square footage. That's hard to model on citywide economic analysis.
- Joe: I'm sure this was based on market comparable. So they're looking at stated square feet of the house. We'll double-check. There is some margin, but probably not as much as you may think.

Commissioner Rudd: A well-designed home can get more out of the 2,500 square feet with things like reducing halls. I'm comfortable with increasing it slightly, but I'm not tied to a specific number.

Commissioner Baugh: We initially wanted to control the size of the structure. We've done that. I'm comfortable with 2,500 square feet, but I don't want to be creating another problem if people want the space and just start building underground.

Commissioner Spevak: The biggest carbon impact of a house is over time is how big the house is. Attached housing and smaller homes are what the package supports. To set the norm that we need more space to live in isn't beneficial. I think 2,500 is fine.

Commissioner Oswill: One of the areas I've been focusing on is the footprint and square footage. With people's concerns about 2,500 square feet, I looked further into the details. As is, there is a missed opportunity for generating revenue for equity and anti-displacement work.

Commissioner Larsell: I agree with the 2,500 square foot proposal.

Commissioner Smith: I agree with the 2,500 square foot proposal.

Chair Schultz: We are at 6 supporting the 2,500 square foot proposal, so this is what staff can include in the updated draft.

Sandra: In terms of the overall size of structures, we've confirmed what's reflected in slide 12.

Morgan shared slide 15, which shows where additional housing types would be allowed with the new 'a' overlay. PSC's direction includes 96 percent of R2.5 – R7 zones.

Joe: We know today what's happening in single-family house sales. We started this all with worrying about the "strike price". We hit a sweet spot with the general frame we have. We tried to exclude areas with large concentrations of renters. We now have to get our heads around how the overall rents and prices affect the likelihood for redevelopment to happen. But we don't know if it's more likely for renters than homeowners.

Commissioner Spevak: One question is the baseline. Under current rules, what would be built after a demolition versus under the RIP proposals? In terms of the 2,500 square foot comment, I think we should include some specificity of "up to 2,500 more than..."

Commissioner Smith: I recognize the anti-displacement folks want a programmatic versus regulatory solution. But what if Council doesn't fund any of the programmatic concepts? I hope the PSC will be very vocal talking about the need for the programmatic solutions to be included. Without those, maybe we shouldn't do RIP in this form. I support the map, but it also includes the hope that Council will do the right thing.

Commissioner Baugh: In terms of displacement, we need a full package that gets implemented. But if we confirm there is an increased risk, then how do we look at that as a policy group? This is a different type of discussion.

Commissioner Spevak: There is a high likelihood that RIP is an anti-displacement policy. Creating more homes that are smaller and less expensive is encouraging.

Commissioner Rudd: The current draft of the 'a' overlay does not include the 100 year flood plain. Based on the work BES has done, we know in the Johnson Creek Floodplain we are likely to have some properties that are in the mapped flood plain that should be and some that shouldn't. So we have this weird situation where we are telling people they can't build something because they are in the flood plain when in reality they aren't (and vice versa). I don't know if we can deal with it here but is there some way to let people submit something like an elevation certificate to show that the map is incorrect?

Chair Schultz: I had some of the floodplain amendments, and I said I'd withdraw them and let staff work them into the package.

Commissioner Spevak: How we've limited the geography, we wouldn't need a map for the first, fourth and fifth areas.

Commissioner Larsell: Thank you for the displacement discussion. We're coming to a compassionate decision that is promising.

Morgan reviewed the other components of the proposal:

- Require at least two units on a double-sized lot (R2.5-R7).
- For 3 or 4 units, one must be "visitable".
- Rezone half of the narrow lots, allow others for attached houses.
- Allow small flag lots through property line adjustments.
- Allow added flexibility in building form and arrangement.
- Revise how height is measured.
- Building features and articulation.
 - We need to confirm that all the standards match with BHD proposal.
- Keep current ADU requirements except:
 - Allow basement ADU conversions to exceed the size cap in an existing house.
 - Allow the front door of an internal ADU to face the street.
- Parking.
 - Delete minimum parking requirements for residential uses in single dwelling zones.
 - If a lot abuts an alley, require parking access to be from the alley.
 - If a building facade is less than 22 feet wide, prohibit driveways and parking between the building and a street.
- Improve building design on lots less than 32 feet wide.

There were other possible recommendations the PSC discussed in previous work sessions that you might want to make to Council:

- Parking permit tools
- Curb cut fee or tax
- Building Code requirement for visitable houses
- Streamlined partition process
- Tree code project for small lot development

- Review SDC waivers
- Displacement risk and programmatic approaches

We can discuss these and pare them down at our final discussion with the PSC.

Thanks and kudos to both the Commissioners and staff.

Adjourn

Chair Schultz adjourned the meeting at 2:55 p.m.

Submitted by Julie Ocken