

Portland Planning and Sustainability Commission

November 9, 2021

12:30 p.m.

Meeting Minutes

PSC Commissioners Present: Jeff Bachrach, Jessica Gittemeier, Katie Larsell, Steph Routh, Gabe Sheoships (left at 1:25 p.m.; returned 2:13 p.m.), Eli Spevak, Erica Thompson; 1 open position

PSC Commissioners Absent: Johnell Bell, Oriana Magnera, Valeria McWilliams

City Staff Presenting: Andrea Durbin, Eric Engstrom, Joan Frederiksen, Sandra Wood; Nick Falbo (PBOT); Karl Dinkelspiel (Prosper)

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

Chair Spevak called the meeting to order at 12:32 p.m.

Chair Spevak: In keeping with the Oregon Public Meetings law, Statutory land use hearing requirements, and Title 33 of the Portland City Code, the Portland Planning and Sustainability Commission is holding this meeting virtually.

- All members of the PSC are attending remotely, and the City has made several avenues available for the public to watch the broadcast of this meeting.
- The PSC is taking these steps as a result of the COVID-19 pandemic and the need to limit in-person contact and promote social distancing. The pandemic is an emergency that threatens the public health, safety and welfare which requires us to meet remotely by electronic communications.
- Thank you all for your patience, humor, flexibility and understanding as we manage through this difficult situation to do the City's business.

Items of Interest from Commissioners

- None.

Director's Report

Andrea Durbin

- Council held a long hearing with over 120 testifiers for HRCP last week. Next step is for Council to work with staff on amendments, which will be published on December 1.
- Staff has been busy finalizing the Residential Infill Project – Part 2 proposal. The PSC hearing is confirmed for December 14. Public notices have been sent, and we'll be transmitting the documents to the PSC soon.

Julie noted the two remaining PSC meetings in 2021 are: November 30 at 5 p.m. (not 23 as usually would be planned) and December 14 at 5 p.m. (regular meeting date, but the later time slot for the RIP2 hearing).

Consent Agenda

- Consideration of Minutes from the October 26, 2021 PSC meeting.

Commissioner Gittemeier moved the Consent Agenda. *Commissioner Thompson* seconded. The consent agenda passed.

(Y7 – Bachrach, Gittemeier, Larsell, Routh, Sheoships, Spevak, Thompson)

West Portland Town Center

Work Session: Eric Engstrom, Joan Frederiksen (BPS); Nick Falbo (PBOT); Karl Dinkelspiel (Prosper)

Presentation

Disclosures

None.

Eric introduced today's work session, building off of hearings and the previous work session and panel discussions.

Implementing equitable development and anti-displacement policy

Joan: Using zoning code to encourage preservation of existing low-cost apartments and incentivize ongoing affordability. Slide 4 highlights some of the Comp Plan policies that staff use. While the Plan encourages new affordable housing it also includes zoning tools that aim to temper displacement. While the zoning tools are important, they are just part of the toolkit. We've identified low-cost appointments in the area noted as Subdistrict D in the plan district (slide 5 map).

For sites in subdistrict D, those low-cost apartment sites – a group of interrelated zoning tools are proposed. The first piece is the map in that we are not proposing to upzone these sites.

Code-wise:

- The plan proposes a cap on allowed FAR or intensity, based on what is currently developed on the site. Can redevelop by right but in more limited way.
- They can access the full FAR and additional bonus FAR and height, if they opt to redevelop and include at least 50% of units at deeper affordability rate (60% area median income).
- If they opt to preserve all existing units as affordable – and not redevelop – they can transfer, i.e. sell, any unused FAR plus a bonus FAR allowance.

Chair Spevak: Is the 50% existing or future affordable?

- Joan: Either/or.

There are 4 FAR ratios (slide 7). There is no maximum limit on the number of dwelling units within the allowable floor area; they'd just be limited by the base zone allowance.

Joan shared illustrations (slides 8-9) of the FAR / affordability bonus heights.

Commissioner Bachrach: How do you determine the affordability of the buildings in this D zone?

- Joan: We looked at rental rates and examples from these complexes. As we go before City Council, we will do another round of verifying current rental rates. We used 80% MFI.

Eric: The policy goal is affordability, so that is what we prioritized. Affordability is required for all transfers here too.

Chair Spevak: I'm looking for a situation where there is no harm done (e.g. transferring FAR). But if you want to build a third building on a lot with two existing buildings, I don't see harm done, but I don't think that's allowable.

Commissioner Thompson: Can you describe which bonus mechanisms have been used elsewhere and what are new and being tried here for the first time?

- Joan: Most of the bonuses have been used elsewhere in mixed-use and multi-dwelling zones except for this new capped FAR strategy. The transfer for the tree preservation bonus already exists as well.

The new, most unique thing here is what we're proposing to cap and disallow building outside of that unless there is an affordable component.

Commissioner Larsell: Is it a 10-year or 99-year affordability structure?

- Joan: It would be administered by PHB like other affordable housing in the city. So 99 years for rentals.
- Eric: It's true there are different rules for ownership and rentals, but we have yet to see the ownership concept in the current market.

Commissioner Bachrach: If I own a 50-unit apartment building, if I sell the additional FAR, I'm locking in my current units for 99 years of affordability, correct? It seems like a more onerous provision than the IH provision is.

- Joan: If they want to redevelop beyond the allotted FAR based on the existing development, they can but need to include 50% of the units as affordable. If they want to sell FAR, that would be the 100% scenario.
- Eric: In the economic analysis, there was some modeling of this and how it would play out. Nothing in the district pencils out in the current economy, we know; property values have to rise in the district, but that is a reasonable expectation in the 20-year horizon.

Commissioner Bachrach: If there isn't market demand, are we too far out to impose this restriction in the D subdistrict? Where is the pressure that would lead us to say we will see development pressure here?

- Eric: We are responding to criticism that we've responded too late in many cases.

Commissioner Gittemeier: On the unused transfer of FAR, can you transfer to... where?

- Joan: In the plan district itself, we have a near-term area where it can be transferred to, and a longer-term plan that allows transfer to other areas.

Commissioner Bachrach: How many apartment buildings are we talking about?

- Joan: There are 18 sites part of the Subdistrict D... about 600 units.

Commissioner Thompson: For the programs that exist already, what sorts of uptick is there? Do we have reason to be confident that people will take advantage of those programs? I'm all for the intent, but I am concerned that given market conditions and the typology of existing units that no one will take advantage of this, so we won't be securing affordable housing.

- Eric: We have modeled the economics of projects that would meet these requirements, and we know transfer of development rights has lots of examples being used. The Tree Program is a relatively recent change. In terms of it this would help us meet the goals of the housing strategy, this alone wouldn't meet that, but this is just one tool. We need direct investment into affordable housing as well to meet the goals outlined.

It makes sense in terms of anti-displacement in terms of keeping affordability. I am confused if we think FAR is the greatest indicator of how development is going to happen in the future? Is this a good measure?

- Joan: FAR is one of the tools that is measurable and tradeable, so we're using it to calibrate.
- Eric: It is typically the "currency" entitlements are traded in.

Commissioner Gittemeier: I'm really supportive of this with the description.

Chair Spevak: I don't see this as an anti-displacement tool. In terms of transferring development rights, it doesn't seem to happen much at all outside the Central City. Can you give an idea outside of the Central City?

- Eric: The most common is for historic preservation, and we have numerous examples of this citywide. Neighbor-to-neighbor on adjacent sites or through a plan development tool are more common for smaller-scale development.

Commissioner Larsell: Can you describe the market? Is this something people are doing daily, or is it very sporadic to sell and transfer FAR?

- Eric: There is a registry in the permitting system (link in the memo we shared) to see properties that have done a transfer including a map. Our mechanism for doing this is essentially a deed at the County – we don't have a central registry. In contrast, Seattle has a centralized tracking, and it might be more transparent than what we have.

Commissioner Thompson: What is the fund for naturally occurring affordable housing? What about BDS involvement – permit wait times and if there is consideration of expedited permit review for affordable housing projects?

- Eric: In the housing strategy, the plan had proposed to invest into the public fund to leverage and expand its capacity to get at naturally occurring affordable projects. PHB submitted a budget request a few years back but that was declined, so it hasn't been pursued further yet. Permitting is part of the equation, but the difficulty with expediting housing is that it's a large share of the permits.

- Karl: All affordable housing projects do go to the front of the line (regulated affordable housing projects).

Other zoning provisions in the new plan district

Different design standards and if we're adding value with them all. We will look at

- Mixed-Use pedestrian oriented standards
- Design standards for RM1/RM2
- Urban Green Features

Mixed-Use

Eric: The proposed plan district includes a number of standards that relate to and aim to foster an active pedestrian and main street realm in the center.

These standards are a refinement of requirements that exist in the current town center today under the Centers Main Street overlay – aka 'm' overlay. And that applies in all town centers citywide.

To customize standards for this plan district, the 'm' overlay was not used, but instead the standards were integrated into the plan district. This also simplifies where developers need to look to understand the requirements as they are all in one chapter.

In some cases, the 'm' overlay standards are replicated and in others a variation is proposed that better suits the vision or desired changes in the area. For example, Subdistricts A and B – the main mixed-use areas – carry a more intense minimum FAR than the 'm' overlay standards do – requiring a minimum 1.5:1 FAR instead of .5:1 FAR.

Design standards for RM1/RM2

Joan: Further discussions with the Design Overlay Zoning Amendment (DOZA) team led to a refinement of where the 'd' overlay would apply in the center.

Namely removing it from lowest density multi-dwelling zoned sites that were located away from the center's core area and its busier corridors.

To set the stage for and encourage new development that provides welcoming and people-centered spaces in the absence of the design overlay the Plan proposes a series of five design standards for the RM1 and RM2 sites.

The standards are proposed for all RM1 and RM2 sites, with or without the design overlay, to create opportunities to create uniform positive qualities that will help shape the long-term character of the area.

This proposal is understood best if you look at where the 'd' overlay is/isn't applied in the town center. This would apply regardless, but these standards could be used to meet the 'd' overlay standards.

Commissioner Bachrach: I'm looking at the maps and don't see the 'd' overlay here... where is it? It would be helpful to see a map of current 'd' overlay and proposed.

- Joan: On all the mixed-use and RM2 and properties adjacent to the main corridors. It's in the Volume 2 packet in the zoning maps there. This list (slide 14) is based on the community values and goals.

Urban Green Features

The Urban Green Features are designed in acknowledgement of the role of natural or green elements of a place in supporting vibrant and healthy communities, mitigating climate change impacts and responding to existing vegetation in the area.

Sites adding more than 10,000 square feet in subdistricts A and B – the main mixed-use areas along the corridors and central area of the TC.

This is a menu to give people options based on their site. We definitely wanted this component to help with climate mitigation and bringing nature into the urban centers. You can get a bonus option in the hierarchy, so you could get some bonus FAR or height based on other parameters.

Chair Spevak: I think this pulls together a general tension in the Zoning Code – affordable housing and additional rules to make the housing nicer (which can make it more expensive). I love the analysis on this.

Commissioner Thompson: Some of the design standard requirements (materials, ecoroofs) have some trade-offs with other possible solutions. The materials list is pretty traditional, but what about something like a living building? On the heat island effect, it seems like if we're prescribing anything, cool roofing materials seem appropriate.

Commissioner Bachrach: I share the concern about the tension about ideal design and/versus cost... leading to less, more expensive housing. Layering on more regulation may not help with affordable housing solutions.

Commissioner Routh: I have been holding this same tension. DOZA helped with a great preface for this conversation. What about transportation aspects that can help ameliorate heat island impacts?

- Nick: SW Portland is challenging in terms of infrastructure. We prioritize street trees when frontage is being built, so hopefully we're getting these features by default. Scale of development and building all infrastructure play into this.

Commissioner Larsell: I want people to understand there is a list of eco requirements, not just an ecoroof. Maybe there is a longer list that builders could choose from too?

- Eric: Yes, there are the 3 options. And maybe we should, in light of this conversation, offer additional options. The new infrastructure bill funding is quite a long-shot here because that's Federal funding, but we don't have the local commitment yet.

Chair Spevak: In a plan district, can we provide special right-of-way rules like we can other aspects?

- Eric: The Zoning Code is not where we put street standards. PBOT does occasionally adopt special standards for different districts, so that might be an option.

Eric noted the other topics in the memo:

- Role of WPTC Plan and related implementation
- Economic prognosis and feasibility
- Urban renewal areas or Tax Increment Funding (TIF)
- Affordable Housing
- Urban Design Framework
- Zoning Map Amendments

Next Steps

If you'd like to suggest amendments, please send to Eric, Joan, and Julie by the end of the day on Monday, November 15. Amendment requests at this point do not need to be fully developed, but any initial direction will be helpful. Staff can then prepare initial amendments / language for the November 30 PSC work session.

BPS Strategic Plan & Workplan

Work Session

Discussion Prompts

- What does the list of upcoming projects bring up for you? Is anything surprising?
- All Commissioners volunteer for a reason. Given your reason, which of these projects would you be excited to spend more energy on? Which would you want to limit your time on?
- Given PSC perspectives, connections, and skill sets, for which projects do you think PSC input adds the most value towards developing strong City policies? For which projects does PSC review not add much value?
- Looking forward, what's not on the BPS workplan list that you think should be there? (Note: the focus of this is on 1.5+ years out, as it takes a while to get new things into the workplan)

Chair Spevak: I served on the PSC long enough to have been on the Comp Plan time with all land use projects coming to us. I'm surprised that we see a number of small projects and not a really big one. Not much on housing though the City has been doing lots of work on housing. I'm interested in the area plans though I might not have much to contribute. The Floodplain Resilient project seems like it could be like Ezones, so if it comes down to a lot-by-lot thing, I don't think the PSC is very important since we don't add that much value. We add the most value in balancing competing goals and looking at bigger-picture things. In terms of what's not on the workplan, I feel like there are things we haven't been briefed on like decreasing carbon footprints on buildings and weaning them off gas, and I think the PSC may have a role here. Big-picture things I think the PSC could be involved in are the buildings and transportation in terms of climate issues.

Commissioner Thompson: I didn't understand some of the timelines of projects listed in the Strategic Plan. And the values (mission statements) were confusing to me in terms of what the plan is. Health and resilience made me curious why we don't see some of those aspects in upcoming plans or projects. I wonder if there are opportunities for broader public input on some of these priorities.

Commissioner Sheoships: On my time with the PSC and hearing about the universality of some of these issues, I want to think about how we can as the PSC provide good input across communities throughout

the city. I want to be sure we best use our time to move towards action on these topics. We have done quite a bit of listening and hear the same issues repeatedly. How can we move beyond a listening phase to address, mitigate, or adopt next steps that are actionable and help?

Commissioner Gittemeier: I agree. I think there are a lot of issues we keep hearing, and to a certain degree we are trying to use zoning too much for things that might be better suited for other policy or financial options. If we want to narrow the field to just zoning, I don't want that to cut off opportunities for the public on topics. I feel like we're reacting instead of preparing for lots of the upcoming projects, knowing we only have so many resources and can only do so much.

Commissioner Routh: I think of different projects and where they derive. When we're briefed on a community project, what is our call to action? How can we move the ball forward for our community? How can we build capacity and funding opportunities? The RTP and TSP are coming up, but I don't see them here. Aging in community is something I think about a lot that is looming. If we don't have next steps for what we can push forward, what are we doing with our meeting time?

Commissioner Larsell: When I look at the project, I'm not sure what some of them are. So that would be helpful to understand more. The one that isn't on here that I want to know more about is PCEF because I think it will have a big impact, particularly on East Portland. Because it's run in a different manner, I'm not sure how to figure it out. But I feel like it needs a way for citizens to see what the impact is going to be. The project that seems the most important is RIP2. What's missing on the list is showing how big a project is, and I'd like to see that. I'm not sure which Parkrose project is noted here. It's a community-led project, but what are the next steps after?

Commissioner Bachrach: I share the frustration that we don't always know what the projects are – we haven't had briefings or have had enough information to ask questions about them. I focused my memo on the planning projects. We fundamentally deal with planning and zoning code amendments and policy, but there's lots more on the BPS workplan. Again, I'm not clear on many of them, and I'm not sure how they became prioritized. That frustration is amplified when looking at the sustainability projects. What can the PSC do to take action and have influence on outcomes for the good of the city? We can't have a role in everything, so I'm trying to think about how we can narrow our focus, so I landed on housing. I would like to see housing a focus (Housing Needs Analysis). Would it be more effective to have two separate commissions? A planning (code) and a sustainability one? I hope we can pick a few things we want major impact on.

I totally agree with Katie about PCEF. If you go through the BPS Strategic Plan, PCEF is mentioned time and time again with lots of dollars associated with it. I am at a complete loss to know what it is, if PSC has a role in it, etc.

Commissioner Larsell: I want to see measures and the impact of what PCEF is.

Commissioner Bachrach: As a sustainability commission, our function is to be stewards of the Climate Action Plan – so I would think we have a role in overseeing how that much funding is being shared / given to the community.

Chair Spevak: The most value we provide is public input in areas where that's not happening otherwise. For PCEF, that is already happening with their board. But for other project, I have no idea where the public input is or how that is working. When I say "us", one of the unique things the PSC can do is

receive public input. We can synthesize that to make policy recommendations. I want to be able to provide input to Council as appropriate.

Commissioner Gittemeier: I think it would be helpful to understand other work from other bureaus that the PSC may see or have interest/influence on. So we can see what's doing well in the community to work with those concepts in creating further good policies.

Commissioner Routh: This is again about the question about how we can be responsive and connect dots. We do get to have these small windows, so when something comes up, can we have conversations to be supportive and responsive?

Chair Spevak: Build/Shift is listed for a briefing for us. It seems like that might be something we want to listen to testimony on instead of just a briefing. It seems like it would be a big part of existing/new housing or building policy. I like the idea of spending time on housing as *Commissioner Bachrach* noted.

Sandra: At the end of our conversation last time, *Commissioner Gittemeier* asked about the interviews with Julia Thompson. Does this satisfy that?

- *Commissioner Gittemeier:* I am interested in what the bylaws dictate and how we operate within that. this is a good first step in getting there.

Sandra: I think the tension you're feeling is similar to what staff feels. We're doing long-range planning, so we have projects where we're working on similar objectives (housing example) over multiple projects, multiple years. We know we have to be patient, but something we want to help with the immediate while keeping the long-range in mind.

Commissioner Thompson: We want to take action, and I know there is lots going on. Thank you for that recap. As a new commissioner, sometimes I struggle to put everything together to understand the full picture. I don't know if the sustainability items listed overlap with the Climate Action Plan. For me, my focus has been on building energy use, but there are many limits on trying to advance proposals or connect with somethings that are already happening. I'm curious about the idea of another commission to break up the work we have to (potentially) review.

Chair Spevak: Updating our Bylaws should be an outcome of this work and our interviews. I agree we've done lots of work on housing, but I don't know if we've done it all right.

Adjourn

Commissioner Spevak adjourned the meeting at 3:04 p.m.