

Portland Planning Commission

October 24, 2023

Commissioners Present

Michael Alexander, Wade Lange (virtual), Mary-Rain O’Meara, Nikesh Patel, Michael Pouncil, Steph Routh, Eli Spevak (virtual; left at 7:35 p.m.), Erica Thompson (virtual)

City Staff

Patricia Diefenderfer, Sandra Wood, Tom Armstrong, Ariel Kane, Sam Brookham, Phil Nameny; Jill Chen (PHB)

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

Chair O’Meara called the meeting to order at 5:00 p.m.

Items of Interest from Commissioners

- *Commissioner Routh*: A reality that “no one is ok right now” among people I speak with. There is a small piece of a lot of us that are weighted with incalculable suffering we are experiencing and seeing. I love that people bring their full selves and heart to these conversations, and I want to thank people for being here, acknowledging the heaviness we all experience even in things that are very far from where part of our heart is.
- *Chair O’Meara*: We want to confirm a Planning Commission member to be on the BPS Budget Advisory Committee this year. I can participate if no other Planning Commission members are available. Planning Commissioners confirmed *Chair O’Meara’s* participation.

Director’s Report

Patricia Diefenderfer

- The Floodplains updated regulations passed at Council on October 11. This was an item the PSC voted on and recommended.
- As the City transition takes place over the next year to be ready for the new structure in January 2025, City Council will begin to have their meetings in this space so Council Chambers can be built out and updated to accommodate our larger Council body. We are working with the Office of Management and Finance to ensure our Planning Commission schedule is disrupted as little as possible – which generally will not be an issue since Council typically meets on Wednesdays and Thursdays. However, there will likely be occasion when Council adds a work session that may conflict with our daytime meetings. We of course will let commissioners know with as much notice as we can if we have to shuffle any Planning Commission meetings. So in advance, thank you for your patience and flexibility as we all work to be ready for 2025.

Consent Agenda

- Consideration of minutes from the October 10, 2023, Planning Commission meeting.

Commissioner Routh moved to adopt the Consent Agenda. *Commissioner Patel* seconded.

(Y8 – Alexander, Lange, O’Meara, Patel, Pouncil, Routh, Spevak, Thompson)

The Consent Agenda was adopted.

Housing Regulatory Relief Project

Briefing: Sandra Wood, Phil Nameny; Jill Chen (PHB)

Presentation

Commission Disclosures

None.

Sandra introduced herself, Phil (project manager), and Jill Chen from the Portland Housing Bureau. This is a hearing for the project. We’re here to hold a hearing on the Housing Regulatory Relief project. We published our proposal to the Commission in September and briefed the Commission immediately afterwards – on September 26. We expect and hope to present the Commission’s recommendation at a public hearing at Council in December.

Since last month, we’ve been conducting additional outreach and provided required notifications as noted on slide 3.

As of a few moments ago, you’ve received 200 pieces of written testimony. About 2/3 about about two issues – ecoroofs and bird-safe glazing. Some others are about bike parking and the neighborhood contact requirement. On the other hand, there are also letters of support for this effort and suggest that we aren’t going far enough. Before we provide more information on the topics, we wanted to remind the Commission of why this project was initiated.

We wanted to emphasize that we’re trying to change what we can control to close the development feasibility gap – shown in red on slide 5. It’s no secret that the cost of every category has increased dramatically in recent years. The far right column illustrates that when you compare costs with what the market can bear that there’s a development feasibility gap in today’s market.

There are market actions that could help make development more financially feasible, but the City doesn’t control this. Incentives, reducing time for permitting approvals and reducing code requirements are ways the City can help.

So the proposal is simple. It’s to temporarily suspend some rules for a period of 5 years and permanently clarify some of these rules that will apply with the rules go back into effect. The 5 year time period is

written into the code and would require that this body and City Council amend the code to extend the period or change the regulations permanently.

There are 16 topics addressed in the proposal. Today, we'll provide additional information on the topics that are garnering the most testimony and the most questions from the Commission, including the cost impacts for some of these rules. We also have invited Jill Chen from the Portland Housing Bureau to present their experiences building affordable housing and complying with these regulations. We also have two invited testifiers that have experience with building both market rate and affordable housing. Once the presentations are done, public testimony will begin. We have 40 people signed up to testify.

Phil provided overviews and details of the topics that have received the most comments:

- Bike Parking
- Ground Floor Active Use and Height
- Design Review

BAE provided cost estimates for the Inclusionary Housing study for the above. They looked at 5 prototypes, so we wanted to provide an overview of one – this is one we've seen in lots of commercial corridors in Portland (slide 15). While the focus here is on the cost to provide floor area dedicated to bike parking or commercial spaces, providing flexibility would allow the extra floor area to be used for additional units if that is the intent of the developer.

Slide 17 provides some additional information and cost estimates related to the amendments to suspend the ecoroof and bird-safe glazing standards. The intent is to reduce some regulatory costs for new construction with an emphasis on the Central City.

We worked with the Central City team to review projects submitted since 2018 when the Central City plan was implemented. Our intent was to see if many projects had asked for modifications or adjustments to these standards. It doesn't appear that any projects have asked to modify the bird-safe glazing standard. However, nearly 20% of the reviews included a request to reduce or eliminate the ecoroof requirements. In some cases, the request was to reduce it to provide other features such as outdoor space or solar panels. In some cases, it was possible to provide some shade tolerant plants underneath solar panels. Suspending this standard would provide the flexibility by right.

There are both temporary suspensions and a permanent change for neighborhood contact. The intent was to temporarily remove an added process required prior to permit/LU application while permanently shifting to 2 standards. While these changes temporarily suspend an initial notification or communication for an upcoming permit or land use application, they do not impact current notification processes for land use reviews. They also don't impact any notification done for other preliminary meetings like preapplication conferences or design advice requests. On a permanent basis, the thresholds for having a preliminary meeting when a project is in the design overlay zone would be raised from 10,000 square feet to 25,000 to match the meeting threshold in all other situations.

At our briefing, some planning commissioners asked about other City projects or initiatives underway to encourage housing or to remove barriers to the production of housing. We provided a draft table to the commissioners last week that will be part of our housing production strategy report. It listed a wide

range of efforts that have been, or are currently being, undertaken by various city agencies. This just lists a few of the efforts. As you can see, they go far beyond just regulatory relief to provide financial help, process improvement, and permitting facilitation, often with a focus on affordable housing. Some programs also provide direct relief to tenants. The housing regulatory relief project is a component of all of these efforts.

Jill Chen, PHB

[Presentation](#)

We have been working closely with BPS on the Housing Needs Analysis and Housing Production Strategy. I wanted to highlight what we're seeing from the production side. The Inclusionary Housing recalibration was to let us see what was happening in the industry that made production difficult. Working with BPS, we realized that as we project out for the next 20 years, we came to the need based on income bands (slide 3).

Even with housing bonds (PHB and Metro) on an average we have produced under 1000 units compared to the 2500+ that we need. Cost drivers are shared on slide 4. We don't offer exemptions so, for example, ground floor is very important. Many affordable projects have community space instead of ground floor commercial. This may be over-sized to be compliant with code. For bike parking, again, we don't offer exemptions. We want to be able to be more flexible for a win-win.

Sandra: We'd like to invite two other people to up to speak. Both have experience with developing housing projects in Portland and served on the Inclusionary Housing and Calibration Stakeholder Group.

Sara Zahn: Director of Development for Security Properties. Portland Housing Advisory Commission, ULI, and President of Oregon Smart Growth. We have 2 projects under construction in Portland today (590 units) and another is in entitlements. Thanks for the focus on how to encourage housing production. Local requirements support laudable goals we all support. However too often they unintentionally make it far more difficult to produce affordable housing. Please don't slice-and-dice the proposal, but I would recommend the IH work group policy is supported to produce more housing and catch up on our deficit.

Ernesto Fonseca: CEO of Hacidena CDC. Developing several 100 affordable units in the area. Thank you to PHB and Sara, and I am supportive of these changes proposed for short-term changes. Portland is a great partner across the region, and, for example, Gresham is implementing similar code changes. They have good intentions but don't fit well in some of our communities if we're trying to up our affordable housing units in the short-term. Please consider the recommendations. I understand the environmental and design concerns. The great community of developers understand this and want to work in a space that is a bit more flexible.

[Written Testimony](#)

Oral Testimony

1. Chandra Robinson, Portland Design Commission: The changes are temporary, but the effects will be long-lasting, so specifically what you do on the ground floor correlates to the public realm. Changes will impact negatively. When active uses are excluded, there are no eyes on the street, people in ground floor units keep their blinds closed. Active use doesn't have to be retail. Please delay the approval of the code to engage the public and so we can help develop the plan. *see written testimony.*
2. Andrew Smith, Portland Historic Landmarks Commission: Zoning code regulations should not be amended or suspended in a rushed fashion; they should focus on streamlining processes, not changing physical look. Ground floor height and active use standards; neighborhood contact standards; and design review procedure types for housing are our key issues. *see written testimony.*
3. Chris Smith: Bike parking – Please reference the Bike Loud and P:NW letters. I support these letters to support then follow up with a more nuanced process. Make sure the parking being produced is useable. In removing the alcove standard, we know this didn't produce lots of bike parking, but I want to see ways to make the in-unity standard work.
4. Victor Duong, The Street Trust: Bike code needs simplifying and to be flexible. Proposing more cargo bike solutions. Remove section D subparagraph 4. Remove clearance language, which is covered by other standards. People first, then housing, then bikes should be the order of importance. *see written testimony.*
5. Garrett Sandberg, Dez Development: Thank you for the work that was done in RIP to bring affordable housing into our city and making development easier. We are taking the right steps here on the review and permitting side. But some things are still difficult to navigate with inconsistent code review and inspectors. Propose looking at more of an oversight for a dedicated person for appeals for both permitting and inspection. Would like to see bike parking being used more, but it hasn't been a major interest for our clients.
6. Bob Sallinger, Willamette Riverkeeper: Oppose the proposals to suspend green roof and bird-safe building mandate. We have both a housing and climate crisis – we need solutions for both, not pitting one against the other. These mandates were promoted at a national level of Portland's commitment to sustainability, and there isn't a credible basis for rolling back these regulations. Portland needs to maintain the strong vision we have and are known for.
7. Mary Coolidge, Portland Audubon: Opposition to the temporary roll-back of the bird-safe glazing standard. We need solutions with multiple benefits to our multiple crises.
8. Jesse Rawlins, Home Forward: Support the HRR project. The proposal addresses these challenges and our work on affordable housing. While we believe we need systemic shifts, the

HRR project is a critical set of tools.

9. Dr Olyssa Starry: Share the concerns we all have about the housing crisis. As a member of the Green Roof Think Tank (*see written testimony*), the ecoroof policy should be reconsidered and not eliminate this. As faculty at PSU, I acknowledge none of the reasons the ecoroof requirement was created have not changed. I want to emphasize the value of ecoroofs.
10. Dannelle Stevens: BDS is a protector from people who don't care about bike parking, birds, and we need to support them. HRR is for whom? And who made this up? Developers, not the little people. This proposal is not well-timed, and it denies our climate emergency.
11. Nic Cota, BikeLoud PDX: Personal testimony – people are getting priced out. I support the reduction to barriers to create more affordable housing in the city. Recommend that the commission follow through on the group to discuss parking utilization because it impacts people and their access to affordable transportation (bikes).
12. David Schoellhamer, SMILE: Permanent elimination of neighborhood contact is something we're against. Support improvements to ground floor height and active use. *see written testimony*.
13. Francesca Berrini: We should not change the zoning – even though we say it's temporary, how will you unbuild things in the long-term? More flexibility with ground use spaces is important. The environmental requirement should not be taken away.
14. Leslie Haggard: Are invested interests going to share in solving our problems? Or will they just maximize the bottom line as the prime mover? We need to maintain our uniqueness and be expedient.
15. Micah Meskel, Portland Audubon: Supports some of the goals but adamantly oppose the bird-safe glazing and ecoroof role-backs proposed in HRR.
16. Tom Liptan, Live Center: Brought concept and technology of ecoroofs to the city. BES built the first ecoroof on a Home Forward building. The best way to manage stormwater is with an ecoroof. Don't approve the ecoroof suspension.
17. John Poilucci: Agree with most testimony that we need to keep ecoroofs, bird-safe glazing, and neighborhood contact. For bike parking, if a developer can come up with data to support less (or more), they should be able to present that with their projects.
18. Kristin Leiber, Lloyd EcoDistrict: We are in a climate emergency, and we need roofs over our heads. My concerns echo many heard today – let's be sure this is a temporary pause; and expedition of housing. Consider both carrots and sticks. Don't undo environmental justice – a full consideration of holistic

19. Surya Joshi: These temporary changes will create permanent changes, so I caution on this. Collaboration to mitigate costs to balance housing and environment are what we need.
20. Stefanie Kondor: PHAC member. Developing affordable housing in the metro area, I've experienced the impacts of code and policies. These change proposed will help in getting affordable housing built and back online. Bike parking space often sits vacant and can impact the project and wastes limited funds.
21. Paul Buchanan: Bike parking professional. We can save space and costs by removing these requirements at least in the short term.
22. Ted Labbe, Depave: Oppose role-backs and support P:NW proposal. I don't want to move back on ecoroofs but instead move them out into the neighborhoods – we can provide more nature and housing simultaneously. Conditional use reviews are what I am concerned about. *see written testimony.*
23. Marianne Fitzgerald: Don't accept the proposal to suspend these codes. I didn't see cost-benefits until tonight, and the burdens will be borne by Portland residents, not the developers. *see written testimony.*
24. Sarah Schubert, Community Development Partners: Affordable housing developer. Everyone deserved a home. Support the HRR Project, and we support relief to make development more available. Bike parking has been a constraint, so the flexibility here is appreciated. Waiving ground floor active use requirement are also important.
25. Doug Burges, Oregon Smart Growth: Support the HRR proposed draft. We can control some barriers as this project proposes to allow for more financing and development.
26. Susan Harris: Don't suspend ecoroof and bird-safe glazing requirements. We want sustainable and resilient green communities.
27. Gus Baum, Security Properties / Oregon Smart Growth: Support HRR. Bike requirements are far in excess of what will be utilized in the developments we have. *see written testimony.*
28. Damin Tarlow, Trammell Crow / Oregon Smart Growth: Some regulatory environment is overly complicated and doesn't help with affordable development. Ground floor use modification allow for good flexibility. *see written testimony.*
29. Jamison Loos, Ethos Development / Oregon Smart Growth: Underscore the importance of these proposed changes around ground floor activation. The theory of ground floor activation is great, but we have an over-supply. *see written testimony.*
30. Allison Reynolds, Stoel Rives / Oregon Smart Growth: Echo comments from colleagues at Oregon Smart Growth. Neighborhood contact is actually time-needing and costly for developing. *see written testimony.*
31. Michael Nagy, Wood Partners / Oregon Smart Growth: Support proposal. The slow-down in housing production is not what we need, and the proposed change have a cost impact on the

production of housing – the largest barrier. This is an opportunity to put our population ahead and support the people of Portland. *see written testimony.*

Chair O'Meara closed the oral and written record.

Sandra: We had discussed that we'd hear testimony today, close the record, and then the Planning Commissioners should let staff know about comments or proposed amendments by November 1. We then have an officer meeting on November 2 to prepare for the November 14 commission meeting – we'll be publishing the packet of meeting information on November 9. We need this timing to get to City Council on December 20, per Council's request.

Commissioner Spevak requested another meeting to ensure we have time to review comments and review amendments.

Commissioner Thompson: I echo the concern about the timeline so also support an additional meeting to discuss and debrief. I understand that puts staff in a difficult situation in terms of timing to get to Council.

Patricia: We understand this, but we went straight to the idea of if we need more time versus looking at what we might need to discuss to see what we can do. I also want to remind the commission that the intent of this process was to be quick since the changes are temporary – we want to do something quickly and timely to make a difference as soon as possible versus studying and testing every part of the proposal more in-depth. We are not closing the door on exploring other ways to handle these topics, but we need to do this work quickly.

Sandra: When we were asked to do something quickly by Council, we landed on temporary changes. The whole proposal is for a 5-year temporary hold for this moment in time we're in.

Commissioner Spevak: Can City Council get value from the commission if we don't have time among ourselves before sharing a proposal? I don't feel comfortable proposing amendments without commission discussion.

Commissioner Alexander: I support this as well. There is complexity we have here in terms of detail – and I would like to discuss with the commission first. Quickly versus being confident in our recommendation is the question, and I want to be confident in what we're advocating for.

Commissioner Routh: I really want to appreciate that staff has worked so hard on each of these components over the years. There's so much to unpack here and discuss.

Commissioner Lange: Thanks for everyone's time tonight. The complexity for me is something that I'd like to have time to discuss with other commissioners and the nuances we need to pay attention to before making a recommendation.

Chair O'Meara: I will have several amendments (neighborhood notice in particular). I also don't support the roll-back on ecoroofs or bird-safe glazing. I hear a broad consensus for more time. Could we use the officer meeting for more work?

Patricia: Would the commission be open to have another meeting? It would be a public meeting that we would need to notice, but this is urgent enough for us to look at that as an option. We can work to get this scheduled quickly.

Sandra: We will see what our options are and will check with Council offices about timing. Please share your comments to staff about what topics you're interested in digging into more or having amendments about by November 1.

Housing Needs Analysis

Briefing/Hearing: Tom Armstrong, Ariel Kane, Sam Brookham

Presentation

Tom introduced the staff team. Tonight we have your final work session then vote / recommendation on the Housing Needs Analysis and Residential Buildable Lands Inventory work. We are looking for a motion to amend the report, adopt the changes to the Executive Summary, repeal and adopt the new HNA and residential BLI, and a discussion about issues you'd like to see in the transmittal letter.

Chair O'Meara: Regarding the catch-up units for under-production we need to build 55,000 by 2032 (6000 units / year), what is the AMI for these?

- Tom: We don't have this broken out by AMI categories. These are overall under-production of units.

Chair O'Meara: So no edit necessary from me then. Thank you.

Tom highlighted the changes to the Executive Summary (slide 3).

Commissioner Routh: In the matrix of different projects, is this in the summary?

- Tom: This was context for HRR to put those code changes in context to support housing production.

Commissioner Roth moved to accept the revised to the Executive Summary to the HNA. *Commissioner Patel* seconded.

(Y7 – Alexander, Lange, O'Meara, Patel, Pouncil, Routh, Thompson)

Tom: Now we move on to your recommendation to Council.

Commissioner Spevak moved that the Planning Commission recommend that City Council:

- Repeal the 2009 Housing Needs Analysis.
- Adopt the 2045 Housing Needs Analysis.
- Repeal the residential portions of the 2015 Building Lands Inventory.
- Adopt the 2023 Residential Building Lands Inventory.

Commissioner Thompson seconded.

Commissioner Routh: Where is Build/Shift on the matrix?

- Tom: That matrix included existing actions; Build/Shift is in the future actions of the strategy.

(Y7 – Alexander, Lange, O’Meara, Patel, Pouncil, Routh, Thompson)

Discussion on components to the Council transmittal letter. Staff will share a draft of the letter, and we’ll have the commission vote on the letter at the November 14 meeting.

Chair O’Meara: Acknowledgement of the 53% of production that needs to be at 80% AMI and below. Also anything about adding to the production strategy for tools.

Commissioner Thompson: Around the affordability piece, I want to look at the historic under-production. I think going forward looking at the production strategy, it’s really about affordability. We need to get to production to meet affordability needs.

Commissioner Alexander: HRR memo that we received – I want to be sure that it is directed to the Planning Commission but it references PSC. [staff noted this is an error.]

Commissioner Patel: I echo the instruction in the memo about emphasizing production and the toolkit and incorporating feasibility moving forward for HNA and HPS.

Adjourn

Chair O’Meara adjourned the meeting at 7:52 p.m.

Submitted by Julie Ocken