

Portland Planning and Sustainability Commission

Tuesday, January 11, 2011

12:30-3:30pm

Meeting Minutes

Commissioners Present: Don Hanson, Karen Gray, Mike Houck, Lai-Lani Ovalles (arrived 12:45pm), Gary Oxman, Michelle Rudd, Howard Shapiro, Jill Sherman, Chris Smith, Irma Valdez

Commissioners Absent: Andre' Baugh

BPS Staff Present: Joe Zehnder, Chief Planner; Deborah Stein, Supervising Planner; Matt Wickstrom, CPII; Debbie Bischoff, Senior Planner; Tom Armstrong, Policy Analyst; Julie Ocken, PSC Coordinator

Other City Staff Present: Andrea Mattiessen, PHB; John Gillam, PBOT; Denver Igarta, PBOT

Chair Hanson called the meeting to order at 12:30pm and provided an overview of the agenda.

Consideration of Minutes

12/14/10

Chair Hanson asked for any comments or edits by Commission members. *Commissioner Smith* moved to approve. The motion was seconded and passed unanimously with an Aye vote.

(Y8 – Gray, Houck, Oxman, Rudd, Shapiro, Sherman, Smith, Valdez)

Items of Interest from Commissioners

Chair Hanson – is attending the West Hayden Island committee meeting this Friday. He is also meeting with the leadership of the Landmarks and Design commissions next week.

Commissioner Houck – tomorrow night is the Portland Plan speaker series at Ecotrust. The discussion is about greening streets, and the presenters have written a book (*Skinny Streets and Green Neighborhoods*), which provides a good description of nature at the neighborhood level as well as walkability. Also on January 24th, all day at the Smith Center at PSU is a symposium for research on urban ecosystems

Home Buyer Opportunity Map Update

Action: Hearing / Recommendation

Andrea Mattiessen, PHB

Documents Provided:

- Memo to PSC: Proposed Changes to the Homebuyer Opportunity Area Map
- City Code Requirements for Designation of Homebuyer Opportunity Areas
- Homebuyer Opportunity Areas Update Map
- Chart: Data Associated with Review of Census Tracts for HOA Map

PowerPoint: <http://www.portlandonline.com/bps/index.cfm?c=41664&a=333978>

Changes to Homebuyer Opportunity Map used to be owned by BPS, but now that PHB and PDC have combined their housing teams, the code reference work is going through PHB. To stay in compliance with the State, the map must be reviewed (though not necessarily revised) every 3 years.

The Single Family, New Construction Tax Exemption Program (SFNC) is enabled by Portland City Code 3.102 and allows eligible homebuyers to apply for a 10-year property tax exemption on the improved value of homes in designated "Homebuyer Opportunity Areas" (HOA). Still pay taxes on the land, but it is reduced for 10 years.

HOA Designation

- Required by state statute and city code
- Limited to "distressed" areas
- Review is required at least every 3 years (not necessarily revise)

- No more than 20% of city can be designated

The map was last reviewed in 2005 and went into effect in 2006. Staff determined which neighborhoods were experiencing distress based on:

- High United States Postal Service vacancy rates
- Concentrations of foreclosed properties (REOs)
- Frequent occurrences of non-violent crime
- 2010 median home sales price
- Number of vacant, buildable lots
- Low homeownership rates

Today's proposed changes include:

- Removal of 7 and addition of 2 census tracts
- Removal of 1119 and addition of 1383 acres
- Total increase of 264 acres equaling 15.6% of Portland land area included in proposed HOA map

Commissioner – If there wasn't a 20% threshold on naming "distressed" areas, are there more areas that could be added? *Andrea*: Likely not, based on the factors PHB considered in this analysis.

Future review of the HOA Map:

- The current "Big Look" policy review project may establish different goals for the SFNC tax exemption program resulting in a possible revision of the HOA map before the 3-year review period. Timeline for this is within about 6 months, and then we'll have a better sense of updates.
 - *Commissioner Sherman* is on the committee, and confirmed this timeline. She can bring updates to the PSC.
 - As a result of this process, there may be changes prior to the next 3 year period.
- PHB will work with City Attorney to develop a grandfather clause for builder-owned properties in previous homebuyer opportunity areas.

Builders' concerns are about the development process. As a result of input in this revision process, City staff want to work with the City Attorney for a grandfather clause to keep areas in past HOA

- *Commission Oxman* asked for clarification on the grandfather clause. Builders are a partner in this program, and they need to be able to complete the permit and construction process within the timeline of the map updates.
- *Commissioner Smith* confirmed that if there is already a permit pulled for the property, those areas would be grandfathered in.
- *Commissioner Valdez* – There are areas where you do want builders to purchase and develop.
- *Commissioner Sherman* – It's expensive to hold property, so it's likely that developers wouldn't abuse the system.

Joe Zehnder clarified that the grandfather clause is not part of today's decision. Today is solely about the map.

Next Steps

- PHB staff will consider input and modify proposed HOA map as appropriate
- In necessary, there will be a presentation of the final HOA Map at next PSC meeting on January 25, 2011
- New HOA Map will go into effect after 30 days if decided

Commissioner Smith – if this process is about reviewing the map, which we have done today, do we need to approve the update today? Or can we wait for the Big Look to look at changing the map? *Andrea* – Today's discussion and review does satisfy the requirement.

Marilyn Hurlley, PHB – The review is required under City code. State law provides the City with the opportunity to make its own code under State statute.

Commissioner Gray – When looking at adding areas, and if you are adding a lot of distressed area to a certain area, what is the communication with the school district(s) in the area? What does that mean to the school district?

- Ideally there would be a data-informed conversation about what an increase in acres might translate to in foregone revenue. We are anticipating that those conversations will continue prior to the finalized map on January 25.
- *Commissioner Sherman* – Foregone revenue is a tricky one. You have to take into account if the development would have happened without the incentive.

Commissioner Valdez – We want construction in these neighborhoods since it's a positive for the neighborhood. We need to build quality construction to spur the development of these areas.

Commissioner Rudd asked about if PHB is tracking where/who is buying houses in these areas... are they new people coming in or does this afford people who are renting in the area to buy? *Andrea* mentioned that this type of tracking is not currently happening.

Testimony

Annette Mattson, David Douglas School District: David Douglas is not requesting stoppage of the programs, but the current timing is difficult. DDSD asked for no change in the map until after the Big Look process. Staff should consider PPS' declining enrollment compared to David Douglas being over capacity. DDSD has lowest assessed property value, and a high level of free and reduced lunch. Increased tax abatement hurts ability to provide facilities for students. There are other forms of tax abatement in the area, and DDSD wants these to be reviewed. DDSD does track where growth comes from – and it is primarily immigrants and those who were in the PPS district.

Commissioner Smith – From a high level, poverty is moving east as the center of the city gentrifies, and this is an attempt to chase that poverty with a mitigation program. Isn't that a benefit in the long term? Also, the state equalization formula offsets some of the impact of the abatements on annual budgets, but not on capital levies.

Commissioner Shapiro – This compares to the Portland Plan work and constructing 20-minute neighborhoods. Aesthetics are being looked at in conjunction with tax base. It is important to notify all school districts with a reasonable timeline of the project coming to PSC or others for a decision.

Commissioner Sherman – It seems like school districts always get the limited/late notice. We need to figure out how to make sure we improve this.

Commissioner Ovalles – Does the decision have to be made today?

- Today is the public hearing, and we'll bring back the finalized map to the January 25 meeting.

Commissioner Oxman – requested a demographic and financial analysis... how many new students, over what period of time, property tax and bond revenues. Also what is already abated and the school building capacity.

Joe – PSC's action on this map is the final action, it's not a recommendation to City Council. Between now and the next Commission meeting, we will put together as much information to help inform the discussion. There will also be more dialogue with the school districts.

Geoff Schumacher, builder: Highlighted census tract 89.02. The concentration of work he does is on the west side of I-205. He mentioned the district should be broken in two pieces because the west side of the neighborhood is fine to build, but they don't look much at building on the east side.

- *Commissioner Smith* – This is interesting that we're looking at this via census tract, we might get a more meaningful result by looking at census block groups (more detailed). If you had a choice between the map changing now and changing again in 6 months, or just in 6 months, which would be easier for you as a developer?
- *Geoff* – 6 months – to give time to look it over.

In the process of doing code clean-up, and the timeline for that is about 4-6 weeks (name change exercise). If we move forward with a map change now, we want to include the grandfather clause. Also looking at deeper code revisions after Big Look process is complete.

Additional Testimony

Annette Mattson

- Chart: DSD Free and Reduced Lunch Percentage by School
- Location Policy statement

Commissioner Sherman – Big Look is reviewing what types of areas (versus current program) should be included and reviewed in the map review process, which would give a whole different type of areas to look at.

Joe – to do this properly, we need to know about productivity, purpose of the program; benefits to neighborhood re: neighborhood stability.

Commissioner Smith – two last questions: want to be in compliance with the code but is making a decision two weeks from today any better?

Commissioner Smith made a motion to accept the report from staff and make no changes to the map at this time. Staff should continue to work with school districts, and a map change could be proposed after the Big Look process. *Commissioner Valdez* seconded.

The motion passed unanimously.

(Y9 – Gray, Houck, Ovalles, Oxman, Rudd, Shapiro, Sherman, Smith, Valdez)

Roadway Not Improved

Action: Briefing

Matt Wickstrom, BPS

Emily Leib, Al Klein, Rani Boyle, PSU MURP students

Documents Provided:

- Executive Summary

PowerPoint: <http://www.portlandonline.com/bps/index.cfm?c=41664&a=333975>

This is a PSU MURP project. It has been nominated for the American Planning Association student award.

Unimproved streets in residential neighborhoods was the focus of the students' study. Characteristics of these streets include a dirt surface, substandard pavement and little differentiation between public and private space. The City does not assume maintenance of the space, but it does have ownership of it. Property owners adjacent are responsible for maintenance. There are terms about the uses of the spaces and relationship to it by adjacent property owners, but encroachment policy is not regularly enforced.

There are 128 lane miles throughout Portland (2% of city streets).

The group looked on a neighborhood scale – specifically at Woodstock (8% streets unimproved). Bound by Cesar Chavez, 60th, Holgate, and Johnson Creek, the area is primarily residential. It was annexed to the city in 1890 and was originally a streetcar corridor (equating to a relatively small block size). Houses don't typically face the unimproved streets, so they function like alleyways. Woodstock Blvd is a Metro 2040 Main Street area.

Public involvement included a discovery session and an online survey with neighborhood residents. Majority lived adjacent to unimproved streets. Within this group, there were diverse opinions about unimproved streets ranging from concerns about safety, lack of definition between street and homes, safety, dust, abandoned feeling; but traffic is lower on these streets, some people like the rural character and the flexible edge of street.

The survey asked residents if they would want all the streets paved with curbs and sidewalks – to which 39 responded no and 20 yes.

PBOT has been pushing for full pavement, improvement through local improvement District. PBOT helps with construction, financing, but it still costs \$20-60k/household. Residents not sure the money would come back positively. City code allows for some maintenance, but people in Woodstock did not know about this.

Expectations: what are the roles that streets play in neighborhoods?

- Connectivity
- Placemaking
- Safety & security
- Access
- Health
- Active, green participation

These all compare well and included in Portland Plan principles.

The report includes a list of recommendations with a focus on maintenance. The students provided a community toolkit and have a website, www.roadwaynotimproved.com about the project.

Commissioner Houck – Does the City have a map of publicly owned land? It would be interesting to combine this with that map. There are significant habitat values that would resonate with people.

Commissioner Smith – Thinking about what else City can do, is there a list of regulations to do away with to move forward? Have the maintenance responsibility at a lower standard?

- Information is a big issue, but there is also a funding question. PBOT has estimated costs for these spaces, which is a huge sum.
- If the neighbors paid for the initial work the City would maintain it, and it would be more affordable for the City, too.

Commissioner Gray – Is there a resource to see about other neighborhoods of unimproved areas in the city?

- The data is straight from PBOT – unpaved streets GIS layer, specifically streets they don't look at or maintain.
- Staff will provide the maps, which are also available in the Portland Plan map atlas.

Cully Main Street

Action: Briefing

Deborah Stein, Debbie Bischoff

Documents Provided:

- Memo to PSC: Cully Main Street Project Briefing
- Cully-Concordia Schools, Families, Housing Assessment Report Highlights

- Cully-Concordia Community Assessment
- Cully-Concordia Community Action Plan

PowerPoint: <http://www.portlandonline.com/bps/index.cfm?c=41664&a=333976>

This is one of three neighborhood projects coming to the PSC for a briefing that apply Portland Plan concepts on the ground. Other projects that will come are 122nd Ave neighborhood project and 60th Ave project. Each looks at equity, connectivity, education and greenways.

Deborah Stein gave an overview of the District Liaison program: District Liaisons serve as the “eyes and ears” of the bureau in five neighborhood districts and the Central City. They work with residents on issues, opportunities, problem-solving, providing technical assistance, and taking on selective projects. The staff are also liaisons to non-geographic communities and issue-based groups.

Debbie Bischoff provided an overview the Cully Concordia work. There are 18,000 people in the study area, including 14,000 in Cully, one-third of whom have school-aged children. 22% spoke language other than English at home. There are some pockets of poverty, especially in Cully, and residents’ goods and services not met locally. Only 3.5% of the area is zoned commercial. Local schools are in fair to poor condition and at or over capacity.

Cully was annexed into Portland in the 1980s. Properties were on septic (and since were required to hook into the sewer system). Street conditions are rather unimproved and remain so. There are a limited number of developed parks (with no developed parks in Cully) and recreation services in the area.

Cully-Concordia Action Plan Goals include:

- Schools as centers of community
- Economic development
- Community infrastructure and amenities
- Community-building, connectedness and stability

Desired outcomes of the project are:

- A land use pattern that enables Cully Boulevard to function as a thriving Main Street
- Alternative street design standards and funding mechanisms that can be implemented to improve street connections

Most of project will be funded through a State grant. Staff will hire an economist to look at the needs of the community over the next 20 years as well as types of uses that might be located along the main street.

The Portland Bureau of Transportation will lead the transportation work, which will address the local street system. Staff will work with the community to identify any new street connections (some may be for pedestrians and bicyclists only), and help prioritize local street improvements based on key connections to the main street, local schools and park sites. Staff will also research and recommend new local street designs (that might prove more appropriate and cost-effective) and funding options to make local street improvements a reality in the future.

PPS has agreed to fund PBOT to do a Safe Routes to Schools engineering project for Rigler School, one of three in the area. This project will identify key routes for students and families to the school and identify safety improvements to be implemented with additional funding. The Rigler School community input will be included in the Cully community’s overall prioritization of local street improvements in the neighborhood.

This is a legislative project and Cully Main Street Project recommendations for main street zoning and transportation system improvements will come to the Planning and Sustainability Commission and City Council at public hearings in the next 12-15 months.

Additional project partners many come from those who worked on assessment and action plan.

Commissioner Houck suggested that the Columbia School Watershed Council would provide a good partner for collaboration. *Commissioner Houck* mentioned the Watershed Council's "Explorando en el Slough" events as a connection for this project as well.

Staff are continuing outreach and engagement with community for input.

Commissioner Valdez – expressed her enthusiasm for the work already done in Cully. It's an example of diversity staying close-in in Portland instead of how we usually see improvements and gentrification. She has clients who want to live there because of the diversity in the area.

Commissioner Ovalles – Thanks for community outreach and engagement part of the project. What are the transportation issues you are looking at in the area?

- *John Gilliam, PBOT*: Some funding is through a State grant, the Transportation Growth Management Program, with requirements tied to it. As any Comprehensive Plan analysis requires, we look at transportation assessment, systems, capacities and impacts that might result from a land use change. Of concern to the State would be about freight routes and interchange locations. The early sense is we don't anticipate major land use changes. For the most part it would bring in more mixed-use areas. Another analysis is about specific, local questions – neighborhood scale. Influence of Cully Blvd itself and connections to the boulevard.

Commissioner Smith – Are there opportunities to make the cycle track a way to support development of the business district?

- *Denver Iqarta, PBOT*: The street plan will build on the bike plan as well as the Cully Blvd project.
- *Debbie Bischoff*: There are the 42nd Ave and Beaumont business associations and already an interest in a consortium for the whole area in looking at the commercial corridors and would likely promote biking as part of local business success. Once infrastructure is in place, lots will be connected.

Urban Reserves & Urban Growth Boundary

Action: Briefing

Tom Armstrong, BPS

PowerPoint: <http://www.portlandonline.com/bps/index.cfm?c=41664&a=333977>

Tom is the BPS liaison to Metro. He supports the Mayor and Commissioner Fritz in their work with MTAC and is the primary City contact with Metro staff. There are three major projects/decisions he brought to the attention of the Commission.

Urban and Rural Reserves process has been in the works since 2007. The intent of urban reserves is to facilitate long-term planning for urbanization and to provide greater certainty about the locations of future urban areas.

Rural reserves provide long-term protection for large blocks of farm and forest land, and important natural landscape features that limit urban development or define natural boundaries of the region. Rural reserves have a 50-year protection. It also includes natural landscape features. There is a third category, undesignated land, which could be urban or rural; there is no regional consensus. Also, a relief valve just in case we under estimated the growth rate.

Urban and rural reserves have to balance the designation of reserves to achieve:

- Livable communities
- Viability of agricultural and forest land

- Protection of important natural landscape features

The balance is to be achieved through weighing the urban and rural factors established in the state rule.

Metro developed a 50-year range forecast, based on national and regional trends, for population and employment within the UGB. The existing residential capacity within the UGB was calculated and left a gap of about 152,400 units for urban reserves.

The employment analysis showed that there is sufficient capacity with the existing UGB. However, there is a consensus among Metro and local governments that the region should provide larger-parcel areas for industrial uses within the urban reserves. There are 28,000 acres of urban reserves, 267,000 rural and 15,000 undesignated land adjacent to urban reserves.

Commissioner Houck observed that south of Cornelius is an undesignated area, almost all of which is the Tualatin Valley floodplain. To protect farmland to the north, hope we don't add residential to this area.

UGB Growth Capacity Ordinance is the 5-year update of what is happening within the UGB. Every five years Metro goes through a process to assess the region's capacity to accommodate future growth and then adjust the UGB accordingly to ensure the region has a 20-year supply of buildable land.

Metro has been using a range of population forecasts to frame the policy discussion, but they have to pick a target – a point in the forecast. Most of the discussion has been focused on the “middle one-third”. MPAC has recommended a target of at least the low end of the middle one-third, which leaves about a 15,000 unit gap or about 1,500 acres of UGB expansion.

Our position has been to be conservative given the uncertainty around the economic recovery, how to address climate change, and a desire to focus investments on Centers and Corridors.

Regional Framework Plan – Six Desired Outcomes

1. Vibrant communities that are easily accessible
2. Sustained economic prosperity
3. Safe and reliable transportation choices
4. Lead in addressing climate change
5. Clean air and water and healthy ecosystems
6. Benefits and burdens of growth are distributed equitably

Updates will be made to Titles 1, 4, 6, 8, and 11.

Commissioner Houck – at one time, Robert Liberty was pushing for the new areas coming in. Is that on the table at this point? Those property values increase dramatically by being brought in.
Tom – not explicitly at this point.

2035 RTP

The Regional Transportation Plan is updated every four to five years and includes the overarching transportation policies and system concepts for all modes of travel. The plan recommends how to invest more than \$20 billion in anticipated federal, state and local transportation funding in the Portland metropolitan area during the next 25 years.

The 2035 RTP includes:

- Regional Mobility Corridors
- High-Capacity Transit (HCT) Plan
- Regional Freight Plan
- Project Lists for future investments

One of the big debates in the RTP process was how to incorporate climate change and carbon reduction into the plan, especially in terms of investment priorities. In the end, the regional decision was to defer those hard choices to the next RTP cycle in order to wait for additional work at the State and Regional level.

Eventually Metro will adopt one scenario that meets the state targets in 2014 that is expected to set up the next update of the RTP and UGB Growth Capacity Analysis.

Next Steps on the policy front this year include:

Title 4 – a regional focus on the supply of large lot industrial lands. These provisions would provide for a special process to replenish or replace large industrial sites as they develop. If a site inside the UGB can't be created by assembling smaller lots or brownfield clean-up, then a special UGB amendment process would be triggered rather than wait for the typical 5-year update cycle.

Title 11 – requirements to at least consider a range of housing types during the concept plan process.

Urban and Rural Reserves – resolve the remand and any appeals.

UGB Expansion – Metro is waiting for Urban and Rural Reserves to be resolved before proceeding. This will likely be next fall.

Director's Report 3:30p

Joe Zehnder

- Portland Plan has two upcoming speaker events to conclude the series: tomorrow and next Monday, 01/17.
- Portland Plan community workshops start in first week of March.
- The Portland Housing Advisory Committee has just formed, which may provide opportunity for PSC to meet with their leadership in the future.

Chair Hanson adjourned the meeting at 3:31pm.