



Bureau of Planning and Sustainability
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MEMO

DATE: April 29, 2013
TO: Planning and Sustainability Commission
FROM: Eric Engstrom, BPS
CC: Susan Anderson and Joe Zehnder, BPS; Mike Rosen, BES
SUBJECT: West Hayden Island Proposal - Errata Sheet and Follow Up materials

This memo includes the following:

1. An errata sheet to fix small errors or inconsistencies staff have identified in the zoning code and IGA
2. A memo describing housing fund discussions to date (separate memo)
3. A memo from BES to the Port in response to their memo to the PSC regarding flood frequency on WHI (separate memo)

Over the next few weeks BPS will also be receiving detailed comments from other bureaus, project stakeholders and the Port on the zoning code and IGA. There will be testimony that likely includes specific comments on those elements as well. Staff will be preparing a memo for the PSC that includes all the detailed zoning code and IGA comments, staff responses and a recommendation for action/no action on each. BPS proposes the following schedule for release of this information:

1. May 14: A memo with BPS responses to any outstanding bureau, stakeholder and Port comments.
2. May 21: A memo with BPS recommendations for change, based on testimony from the hearing.
3. May 28: A work session to identify, introduce and discuss bureau and commissioner requested amendments.



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Errata Sheet

The Amended Proposed West Hayden Island Plan was released on April 9, 2013. Staff have identified small errors or inconsistencies in the draft zoning code. Below are each of the errors, suggested replacement language and a short explanation.

Zoning Code

1. **33.595.110.A.2.c.** Basic Utilities that serve an allowed primary use are considered accessory to the allowed primary use being served.

Explanation - Primary uses is not the correct term to use in this circumstance, since the plan district code specifies allowed uses. Changing the terminology will make it clear that the utilities must be associated with the allowed uses.

2. **33.595.200.A.4. ~~Exceptions~~ Exemptions.** The following development are exceptions to is exempt from the river setback:
33.595.200.B.4. ~~Exceptions~~ Exemptions. The following development are exceptions to is exempt from the setback area regulation:
33.595.200.C.4. ~~Exceptions~~ Exemptions. The following development are exceptions to is exempt from the setback area regulation:

Explanation - The term “exemption” implies that development is exempt from the zoning code. The intention of the setbacks is that the development is allowed in the setback however there are environmental regulations that still must be met. Therefore, the correct term is that certain development is an exception to the setback.

3. **33.595.200.C.4.a.** A driveway that provides ~~maintenance~~ access to uses allowed in the Open Space zone ~~outdoor recreation or to existing or enhanced natural areas or nature preserves;~~ and

Explanation - The exception to the setback from IH zone was inadvertently too specific and would not allow a new driveway to access the existing power line corridors. Driveways to access allowed uses should also be allowed.

4. **33.595.425. Standards for Rail and Security.** The following standards apply to railroad spur, lead lines, railroad yard, security facilities and associated clearing, grading and fill located in the IH zone. All standards must be met.
 - a. There is no filling or grading with wetlands or land within 50 feet of wetlands; and
 - b. The standards of 33.595.490 Tree and Vegetation Removal, must be met.

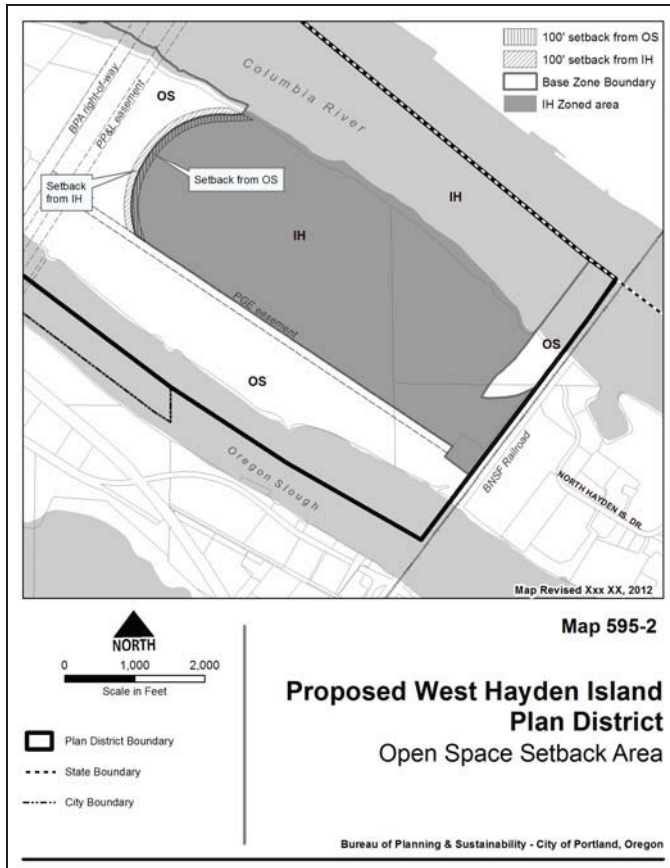
Explanation - The environmental standards apply in the IH zone, in the setback from the OS zone (Map 595-2). The purpose of the setback from the OS zone is to be flexible and allow for some encroachment of the rail and security facilities with appropriate mitigation of the impacts to the forest. This development is exempt from the setback. It is



intended that this development only have to meet two environmental standards: 1) avoid wetlands or city review of wetland impacts; and 2) replace trees that are removed. This has always been the intention and was an oversight when staff were attempting to simplify the zoning code. Adding the standards back in will ensure flexibility for rail engineering.

5. Zoning Map 595-2

Swap the callouts to correctly label the setback from IH and setback from OS.



6. Zoning Map 595-3

Change the subtitle from “Natural Resources Area” to “Application of Environmental Regulations” and update the map to include the setback areas.

Explanation - This map is intended to show where the environmental regulations apply which includes the setback areas.



Intergovernmental Agreement

- 7. Section 5.3: Anticipated Impacts.** Change impact acres of shallow water habitat from 1.5 to 0.3.

Explanation - Staff inadvertently listed the anticipated mitigation acres in place of the impact acres for shallow water habitat. The anticipated impacts of shallow water habitat are 0.3 acres.

- 8. Section 5.5.3.5: Timing of Forest Actions.** Two typos need to be fixed to correctly cross referenced the previous section. Sentence one should read “In order for these actions to achieve a net increase in forest functions, the specific acreage of forest actions described in Paragraphs 5.5.3.1 and 5.5.3.2 are based on the assumption that”

- 9. Multiple Sections.** All references to the Manufactured Home Park corrected to read Manufactured Home Community.

- 10. Section 6.4.2: Supplemental HIAs for additional terminal developments.** The scope of the HIA will focus on the specific Port development proposal(s). A baseline health study of the local island population will be conducted as part of the HIA. The HIA process will be lead by a HIA practitioner and member of the Society of HIA practitioners, to be selected by the City (BPS) and MCHD. The HIA practitioner will design and lead the study in consultation with the City (BPS), MCHD, and the Port. Supplemental HIAs or addenda to the assessment will ~~may~~ be required if additional terminal facilities are proposed and development permits are submitted within the IH zoned area.

- 11. Section 8, Attachment F. WHI AC Membership.** 8.3 says the City (Mayor) and Port will appoint members. Attachment F says that “Each of the specific membership interest groups shall appoint a member...” Attachment F will be corrected to state that the City (Mayor) and the Port will collaborate to appoint a member from each interest group that has been identified.

- 12. Section 9: Funding, Table on page 136.** Remove the terms “up to” in the estimated amounts for North Hayden Island Drive and Ecosystem Values and Functions.

Explanation: These amounts are only included as estimates of the costs. They are not intended as a cap.

Summary of Proposal (Section I of Amended Draft)

- 13. Page 9, Paragraph 2.** “That said, sites along the Willamette do not have access to the 43-ft deep navigation channel of the Columbia River Slough, which allows access for a greater variety of ocean-going vessels used in international trade.”





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MEMO

DATE: April 29, 2013

TO: Planning and Sustainability Commission

FROM: Eric Engstrom, BPS

CC: Susan Anderson and Joe Zehnder, BPS; Mike Rosen, BES

SUBJECT: **Background on Hayden Island Manufactured Housing Fund and future issues to address**

Background

The Portland Housing Bureau (PHB) prepared a memo indicating what services would most benefit the residents of the Hayden Island Manufactured Home Community and how a future program could be administered (Attached to this memo). PHB looked at the size of the park, the age of the units and variety of needs and life circumstances of the residents in their research. They found that some of the most beneficial services a fund could provide include:

- Full Home Weatherization (Approx. \$7,000/unit)
- Window Replacement (Approx. \$2-3,000/unit)
- Down Payment Grants for Newer Homes On-Site or Relocation (up to \$5,000- Assumes average credit score requiring 10% down payment on \$50,000 home).

PHB found that providing options for low-income residents to choose from would ensure that the City is meeting the needs of the greatest number of residents within the park. Residents would be able to increase the comfort of their homes, and those who may choose to move from the park would be partially compensated for the inconvenience. They also stated that all three options would allow relief from any potential light or noise pollution resulting from increased industrial activity due to the Port's development on the island.

The City came up with \$3.6 million as a base sum for the housing fund with the assumption that the amount can be matched 1:1 with State and Federal dollars, potentially tripling the value of this fund and increasing the potential for retrofits and other improvements to the manufactured homes in the park. This amount, with matching funds, would allow for substantial upgrades to existing homes in the park and also allow for funds to assist with new purchases or relocation. The base amount of \$3.6 million was based on the estimated values



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noted above, and the estimated number of homes in need of upgrades of potential replacement.

Draft Intergovernmental Agreement Language (as of April 2013 draft plan)

- The City Housing Bureau will develop a program plan that describes how the MHC Grant Fund will be administered, how grant funds will be used, and public involvement in operation of the fund.
- Initial funding in the amount of \$150,000 to set up the MHC Grant Fund program(s) will be available to the City (Housing Bureau) at the completion of the HIA. BPS, PHB and HIA practitioners can more definitively define the uses for the housing fund based on the findings of the HIA.
- The Housing Bureau will deliver a plan for the distribution and use of funds to the City Council within 9 months of the date the Housing Bureau receives from the Port the initial disbursement of planning funds to set up the program. The Port will make the remainder of the funds available at the time that federal permits have been approved.
- The City and Port will develop a cooperative funding strategy to support ongoing development of the MHC Grant Fund. The intended goal of the strategy will be to leverage a 1:1 match with any state and federal funds that may be available.
- If the recommendations from the stage 2 HIA suggest the need for a different amount of base funding, parties will negotiate in good faith to adjust the amount per modifications section of the agreement.

Future Issues to Address during the design phase of the program

In January and February 2013 discussions with local community members on the island and the Planning and Sustainability Commission (PSC) have raised additional questions around the structure and use of a housing fund. Below is a list of issues that will need to be considered during the initial development of the fund:

1) **Refine loan amount vs. grant:** Concerns have been raised as to the feasibility of an individual or family, living at or below the poverty level, being able to pay back a loan or handle a larger mortgage if they receive a small grant to purchase a home. In defining eligibility for the program it will be important to make the program affordable for families and individuals at or below the poverty level. For example, if they owe a small amount on their existing home, the new loan would not exceed that amount. The program should also consider full grants in some circumstances.

2) Use of funds:

- **Relocation:** PHB noted that some of the funds could be used for relocation. The PSC and community agree that this element should be part of the program. The Park owners are concerned that allowing the funds to be used for relocation will destabilize the community and lead to vacancies. A goal of the program design should be to balance and maintain stability of the community. The pros and cons of using some funds for relocation should be analyzed.

2



- **Holistic benefit for Manufactured Home Community (MHC):** the MHC owner has expressed an interest in some of the housing funds being used for a sound wall along Hayden Island Drive to reduce noise to residents. More discussion on this topic should take place with PBOT through the public design process for Hayden Island Drive.
- **Air Filtration systems:** There have been two different discussions with manufactured home park residents as it relates to air quality concerns. Residents have expressed concerns about outdoor air quality and air filtration systems for their homes. The other is concern about existing indoor air quality in some of the older model homes.
- **Administration of fund:** concerns have been expressed by the community that too much of the funding could end up being used to administer the program. During the initial planning of the program PHB should consider limiting/capping administration fees for the program.

3) **Replacement of older homes in the MHC:** PHB indicated that more than half of the units in the MHC were built before 1980. This suggests there is a need for weatherization and window replacement assistance. There has been more recent discussion about the need to review the value of upgrades vs. replacement of these older homes due to poor indoor air quality in older homes.

4) **Program funding and match assumptions:** Concerns have been raised as to whether the City can count on federal and state match commitments to ultimately triple the \$3.6 million base funding. The IGA should look at opportunities to increase the amount of the funding if state and federal matches are not available to still provide same level of commitment for home replacement and upgrades.

5) **Manufactured home survey/analysis:** The community has suggested that the # of units in need of replacement and upgrade might be higher than PHB current estimates and the number may grow as the availability of these funds get pushed out closer to development. It will be important to evaluate the homes in the MHC when designing the program to determine the number of units that are eligible for replacement vs. upgrades. Also, it has been mentioned that the block pier and tie down method of securing the units should be reviewed. It may be necessary to place homes on a more permanent foundation to avoid shifting on the primarily sandy/fill soils. This will add a cost to each home that has been estimated at approximately \$7,000 for a single wide to \$15,000 for a double wide.





CITY OF
PORTLAND, OREGON

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November 9, 2012

To: Mayor Sam Adams

From: Traci Manning, Director

Re: Hayden Island Manufactured Home Park

At your request, I directed my staff to perform due diligence on the Hayden Island Manufactured Home Park and determine what services would most benefit the residents and how the program could be administered. Our initial recommendation is outlined below. Please let me know where we can be of further assistance.

Service Options

Based on the size of the park, the age of the units and variety of needs and life circumstances of the residents, I would recommend the City work with the Port of Portland to provide a menu of services to low-income park residents that would include:

- Full Home Weatherization
- Window Replacement
- Down Payment Grants for Newer Homes On-Site or Relocation

Providing options for low-income residents to choose from would ensure that the City is meeting the needs of the greatest number of residents within the park. Residents would be able to increase the comfort of their homes, and those who may choose to move from the park would be partially compensated for the inconvenience.

A number of older mobile homes in the park have already received weatherization through Multnomah County. However, public weatherization funds typically do not cover window replacement, so homes that have already been weatherized would still benefit from adding double-pane windows.

All three options would provide relief from any potential light or noise pollution resulting from increased industrial activity due to the Port's development on the island.

Program Type	Cost/unit	Policy Considerations
Full Unit Weatherization	\$5,000 - \$7,000 ¹	<ul style="list-style-type: none"> • Multnomah County and area non-profits have experience in mobile home weatherization • Multnomah County has already weatherized a number of homes in the park • Weatherization significantly reduces home energy costs for residents and noise pollution • Weatherization work should employ local MWESB contractors, as identified through the Green Opportunity Grant program
Window Replacement	\$2,000 - \$3,000 ²	<ul style="list-style-type: none"> • Double-pane windows would provide significant increase in noise insulation compared to standard mobile home windows • Homes that have already been weatherized are still in need of window replacement because weatherization funds often run out before they get to windows • Window replacement work should employ local MWESB contractors, as identified through the Green Opportunity Grant program
Down Payment Grant	\$5,000 ³	<ul style="list-style-type: none"> • With down payment assistance, owners of older units would be able to purchase used or new manufactured homes • Replacement homes would provide increased insulation from noise and better energy efficiency • Finance costs would vary depending on the lender, but owners would pay an average of \$200 - \$400/month to finance the new home.

Program Administration

PHB does not have the staff capacity to administer a new program of this size, or to manage the contract with the agency selected to administer it. Serving over 300 households will represent a significant increase in work of our non-profit partners who perform this type of work. The organization contracted to lead the program will likely require an increase in staff and organizational capacity to take on this new work and continue its existing work.

¹ OHCS Weatherization Program Average

² Average \$200/window – Total cost would depend on number of windows within each home

³ Assuming average credit score requiring 10% down payment on \$50,000 home.

Discussions with the Port on funding for the program should include consideration for hiring program staff. Staff of programs similar to the one being proposed perform a variety of important roles which include:

- Direct outreach to homeowners
- Individual case management
- Subcontracting with weatherization and repair companies
- Supervising weatherization and repair work
- Follow-up and inspection

Staffing costs for the home repair contracts PHB manages typically average 30-45% of total program costs.

Park Information

Finally, we have been able to gather some data on the age of the units within the park from PortlandMaps. As you can see, more than half of the units were built before 1980. This suggests there is a need for weatherization and window replacement assistance at the park. However, Multnomah County has already weatherized a number of units at the park. They have agreed to provide the city a report on the number of units they have served by next week.

Total # of Units Currently on Property Tax Rolls: 358

Number of Units by Decade Built:

- 1960s: 93
- 1970s: 195
- 1980s: 26
- 1990s: 34
- 2000s: 60



ENVIRONMENTAL SERVICES
CITY OF PORTLAND

MEMO

DATE: April 5, 2013

TO: Greg Theisen, Port of Portland

FROM: Mike Rosen, Bureau of Environmental Services

CC: Eric Engstrom, Bureau of Planning and Sustainability
Kaitlin Lovell, Bureau of Environmental Services
Mindy Brooks, Bureau of Planning and Sustainability

SUBJECT: Comments regarding floodplain mitigation

This memo is in response to the Port's memo to the Planning and Sustainability Commission, March 26, 2013, regarding the City staff floodplain mitigation proposal. In summary, the main responses are:

1. The science used as a basis for the city-wide Natural Resources Inventory methodology documents the important habitat forming and sustaining functions of the 100-year floodplain.
2. While quantifiable ecosystem services associated with the 100-year floodplain on West Hayden Island are minimal; it is the full suite of floodplain functions that the staff proposal attempts to address.
3. Recent lawsuits in Puget Sound, WA and Portland, OR underscore the importance of the 100-year floodplain for ESA-listed fishes.

Functions of the 100-year Floodplain

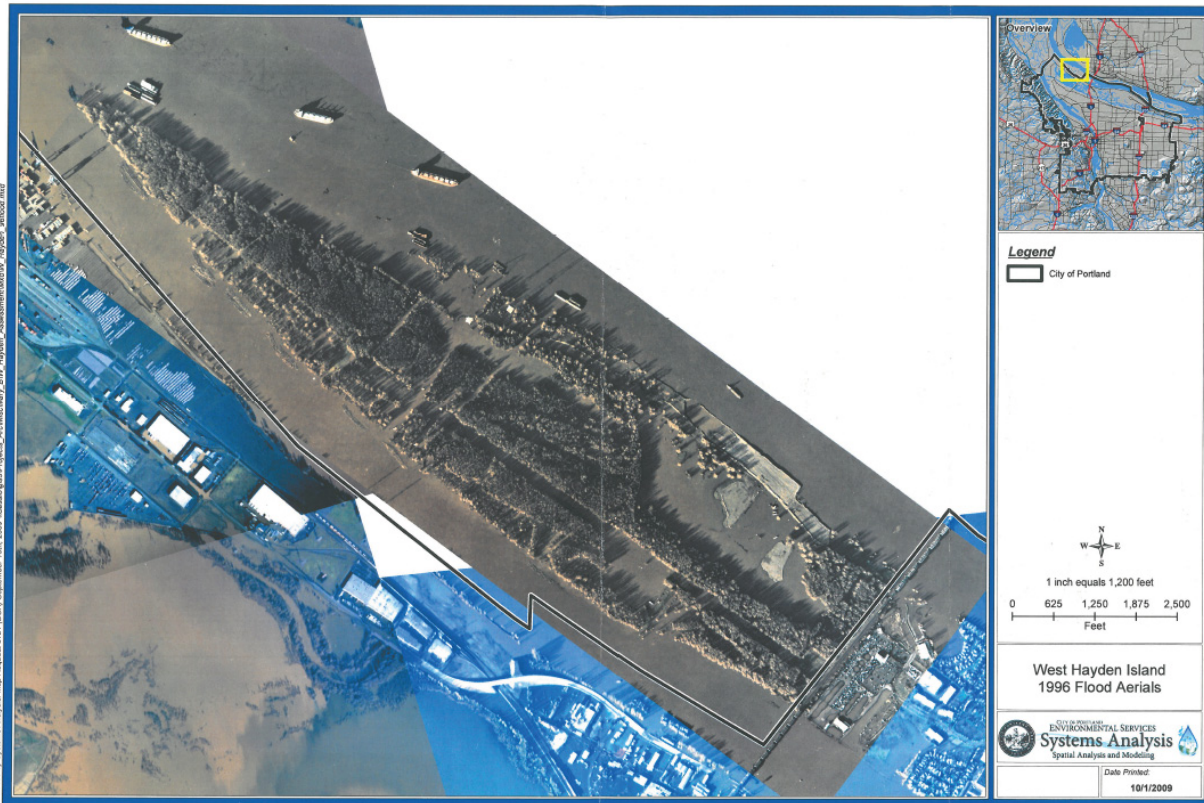
The relationship between the river and its floodplain is of critical importance to fish and wildlife. The floodplain includes the limits of the river channel migration zone and is the area of interchange between the land and water. The floodplain can potentially become aquatic habitat, depending on the size of the flood event, but always provides riparian corridor habitat. According to the scientific literature, the riparian zone of influence includes the extent of the 100-year floodplain because of the movement of the river across the floodplain through time (Gregory and Askenas, 1990; Schueler, 1995; Spence et. al., 1996).

Below is a summary of the floodplain functions found on West Hayden Island (WHI):

- ❖ Maintain Fluvial Process
 - bank formation, meanders, side channels, mid-channel islands
 - maintain dynamic channel morphology
 - sandbar deposits, shallow water maintenance
- ❖ Natural Erosion Control
 - wave attenuation (includes reduced energy during flood events)
 - sediment capture
 - reduced sedimentation
 - maintain channel equilibrium through balance of erosion/sedimentation
- ❖ Water Quality Maintenance
 - Trap, filter, and cycle toxics, nutrients (carbon, nitrogen); pollution treatment
 - process organic wastes
 - moderate temperature fluctuations
- ❖ Groundwater Recharge/Discharge
 - promote infiltration and aquifer recharge
 - release ground water during low flows, reducing frequency and duration of low surface flows
- ❖ Create Microclimate Conditions
 - transpiration, evaporation, humidity
 - water temperature regulation
 - air circulation (differential pressure gradients)
 - reduced air temperatures (more pronounced in urban areas)
- ❖ Organic inputs into ecosystem
- ❖ Structural Complexity
 - wood capture/recruitment and source
 - log jams, pools, riffles, shallow water, pools
 - aquatic to terrestrial riparian habitat transition/mosaic
- ❖ Create and provide insect, fish, and wildlife species support
 - feeding, rearing, roosting, shelter, resting, migratory stopover, spawning, nesting, predator avoidance, breeding, wintering

Within the 100-year floodplain there are different frequencies of floods from daily (tidal) to seasonal to every 2, 10, 20, 30+ years. The functions of all of these events, including the 100-year event, are important to the health of the ecosystem. Some of the habitat forming functions listed above are only associated with a large flood event.

Additional analysis could include all flow data on record, beginning in 1903 when the USGS installed a Columbia River gage in Vancouver, WA. Flood hazards in the lower river were attenuated with the construction of the Bonneville Dam in 1938; however, floods of record continue to shape and maintain floodplain habitat. For example, the 1996 flood that inundated nearly all of WHI was estimated by the US Army Corps of Engineers to be a 30-year event. At the Vancouver gage, there were three floods of record larger than the 1996 event between 1948 - 1964. Using flow record data from 1938 through today would provide a better estimate of the frequency of flood events on the island and could help hone the Port's development mitigation needs.



Map: 1996 Flood at West Hayden Island (USACE estimated 30-year event)

Ecosystem Services vs Function

The economic costs and benefits associated with the floodplain are called the “ecosystem services.” The WHI Foundation Study (ENTRIX, 2010) assessed the ecosystem services provided by the island features. The services of the floodplain are water storage and conveyance capacity. Preserving natural water storage and conveyance avoids costs such as flood damage to infrastructure, homes, business, utilities, etc. The magnitude of the floodplain services provided at any given site is relative to the magnitude of the water body. The Columbia River is the sixth largest river, in terms of volume, in North America. The dams on the river provide flood management; along with levees throughout the basin. Due to the

relatively low volume of water that can be stored or conveyed at WHI, the avoided cost associated with natural flood control at the island is expected to be small. In other words, the economic cost of replacing the lost water storage and conveyance function on WHI is much greater than the economic benefits. (The study notes that Climate Change will have an affect on flooding.)

The evaluation of ecosystem services does not address all of the functions provided by the floodplain, or other natural resource features on WHI. The ENTRIX study cautions that the economic approach to valuation of services is entirely anthropocentric; services are defined only as those with economic value to individuals or society. Further, ENTRIX states that it is important to acknowledge that non-anthropocentric values of ecosystem functions. Many ecosystem functions are not easily quantifiable in economic terms because society has not place a dollar value on each function.

Another caution, while the analysis of ecosystem services found that because of the scale of the WHI floodplain relative to the Columbia River there would be negligible impacts on flood storage and conveyance of the system; there has not been a evaluation of if/how filling the floodplain on WHI may effect flooding directly upstream at East Hayden Island. This type of analysis would occur as part of compliance with FEMA regulations.

NOAA/FEMA Lawsuits

Lawsuits in Puget Sound, WA and Oregon, including the Portland area, seek to require NOAA consultation on impacts to the FEMA regulated floodplain. In Puget Sound, the settlement resulted in different avenues for addressing impacts to ESA-listed species as a result of changes to the 100-year floodplain; however, a second lawsuit has been filed challenging the sufficiency of alternatives.

The lawsuit in Oregon was settled in 2010 and FEMA has formally requested NOAA consultation on impacts to FEMA regulated floodplains in Oregon. NOAA has not yet issued a Biological Opinion; therefore, it is uncertain to what extent a decision could impact development on WHI.