

Portland Planning and Sustainability Commission

Tuesday, September 10, 2013

12:30 – 3:30 p.m.

Meeting Minutes

Commissioners Present: Andre' Baugh, Karen Gray, Michelle Rudd, Katherine Schultz, Howard Shapiro, Chris Smith, Irma Valdez (left at 1:45 p.m.)

Commissioners Absent: Don Hanson, Mike Houck, Gary Oxman, Lai-Lani Ovalles

BPS Staff Present: Susan Anderson, Tom Armstrong, Julie Ocken, Sandra Wood, Spencer Williams

Other City Staff Present: Daniel Ledezma

Chair Baugh called the meeting to order at 12:30 p.m. and provided an overview of the agenda.

Items of Interest from Commissioners

- *Chair Baugh* noted the passing of Lee Perlman, who reported diligently about the PSC and for a number of other community meetings and events. *Commissioner Smith* reminded Commissioners about the memorial service for Lee on 09/15. *Commissioner Valdez* noted how Lee reached out to her and the community in difficult planning processes.
- *Commissioner Gray* mentioned she met with Metro Councilman Sam Chase this morning, who represents NW Portland. She suggested a joint work session with the Metro Council, perhaps in the spring, about equity and using an equity lens. Susan will check with staff about arranging this meeting in 2014.
- *Chair Baugh* is on the Transit Equity Committee. TriMet is doing a transit enhancement and equity study in East County, and that is another upcoming topic that can be discussed with the PSC.

Director's Report

Susan Anderson

- Joint PDC/PSC meeting is in the works. We are looking at a meeting in early November, and the meeting topics will likely be the CC2035 Plan (West Quadrant and SE Station Areas charrette reviews). If there are other topics to suggest, please let Susan know.
 - *Commissioner Shapiro* mentioned it would be great if this meeting could be a dialogue, highlighting the individual functions and synergies between the two commissions.
 - We can think of questions for each commission about integration, along with the substantive conversation about projects.
- Susan shared the Central City meeting schedule. The Concept Diagram is moving forward with the West Quadrant work.
- In collaboration with partners, BPS has a new study on multi-family apartments and how to make them healthier. There will be a briefing for the PSC at the 09/24 meeting followed by an open house about the topic at David Douglas on 09/26.
- Comprehensive Plan Update (Sandra Wood)
 - Rollout of Part 2 of the Working Draft is coming out in early October. This is the mapping component and the Citywide Systems Plan. A Map App is also coming out in early October. Staff will share this at the PSC meeting on October 8.

- October 18 is an All-PEG meeting. Members will be receiving a hold-the-date message shortly.
- Public comment on Part 2 will be open through December.
- All the app work was done in-house, showcasing BPS' mapping/GIS team's great work.

Consent Agenda

- Consideration of Minutes from the August 13, 2013 PSC meeting.

Chair Baugh asked for any comments for the consent agenda. *Commissioner Shapiro* moved to approve. *Commissioner Schultz* seconded.

The Consent Agenda was approved with an *aye* vote.
(Y7 – Baugh, Gray, Rudd, Schultz, Shapiro, Smith, Valdez)

Gentrification Report

Briefing: Tom Armstrong

Presentation: <http://efiles.portlandoregon.gov/webdrawer.dll/webdrawer/rec/6012456/>

Documents

- [Gentrification Map](#)
- [Map Appendices](#)

This report is helping to inform the Comp Plan Update discussions and is based on Portland Plan issues and discussions. BPS commissioned Dr. Lisa Bates, a faculty at PSU for a consultant study on gentrification. The report includes two pieces: (1) mapping assessment about risk of gentrification and (2) survey of best practices and tools in the U.S. to try to address gentrification.

Gentrification and Displacement is defined as an under-valued neighborhood that becomes desirable, which results in lower income households being displaced due to the loss of affordable housing. The terms are used interchangeably in this discussion. It can occur in areas that were under-valued that then becomes desirable because of either private or targeted public investment.

The challenge is that we want to improve neighborhoods and invest in the community, and this often makes neighborhoods more attractive, potentially forcing current community members out of the area.

Three strategies from the Portland Plan address and try to mitigate gentrification: affordable housing, business development, and tracking and evaluation. For now, the business development (rising commercial rents) piece is not being evaluated. This study is about the housing impact and how we can do better tracking changes and opportunities over time.

The neighborhood typology includes key indicators that get at the heart of gentrification. In looking at other studies across the country, staff settled on three groups of indicators in this study:

- Changing housing values
- Vulnerable populations
- Demographic change

These indicators were reviewed as census-tract comparisons to citywide averages.

Vulnerability in 2010... who has resources or skill set to respond to an environment with rising housing costs shows:

- Renters >= 44%
- People of Color >=25%
- Income at or below 80% MFI >=47% (\$56,000 for a family of four is 80% MFI.)
- Without a Bachelor's degree >= 58%

Analysis of risk factors is shown in Map 1 in Appendix A.

In terms of Displacement Indicators in 2000-2010, Dr. Bates looked at where rates are changing faster than as the city as a whole.

- Greater Increase in median household income
- Greater Increase in population with a bachelor's degree
- Greater Decrease in share of renters
- Decrease in share of people of color

A separate analysis is being done about where households are "losing" (moving in the opposite directions) in these indicators.

Overlaying the maps could show where people are susceptible to moving to, in a general sense within the city.

Housing market condition factors looks at areas with relatively low or moderate values; areas adjacent to high value or high appreciating areas. You see the strength of the market in inner-city neighborhoods and the outer edges of the city being adjacent and accelerating in appreciation.

In combining all the factors, there is the neighborhood typology map; a continuum of how neighborhoods go through a gentrification "process."

- *Low-income/low-value*
- Susceptible
- Early
- Dynamic
- Late
- Continued loss
- *High-income/high-value*

East Portland has lots of vulnerable populations, but there are not focused gentrification risks at this point. Next January, we can update this information with the new census data. The typology allows us to adjust our tools/response based on the different typologies of the neighborhoods.

Regarding major public investments, we know we need to do more in certain areas, e.g. the south side of Powell, where tracts are at early gentrification risk. Staff is looking at high-capacity transit investment in this area and is working with Metro and TriMet to take a deeper look at the dynamics and what investment there may mean.

Commissioner Valdez commented on the vulnerability categories. This is a great conversation piece and aid, perhaps in collaboration with housing organizations or schools to push the concept that low-income people could purchase and stay in their neighborhoods as amenities increase with investment in their area.

This is a high-level look at selected indicators. A drilldown analysis in a neighborhood could include

- Demographics and underrepresentation

- Housing conditions and vulnerabilities
- Economic development opportunities
- Environmental justice concerns

Staff will maintain and update the analysis as new information becomes available. The analysis can be used as part of project evaluations and in program alignment with PDC and PHB. There are other new tools as we look at what could work for Portland (community development agreements; inclusionary zoning). “What is the right fit and the right neighborhood dynamic?” is a question we can ask to use this tool.

Commissioner Gray commented that all three topics on today’s agenda fit together nicely, especially for an East Portland conversation. It is an “amazing conundrum” because we have a catch-22: there are a bunch of vulnerable people that need affordable places to live, which is typically thought of as in East Portland, which is chronically under-served but where you can afford to live. With investments, prices go up and people are forced out. This is what is so frustrating. Has the City found another city or another project where there is a successful program that fixed up a neighborhood without displacing people living there?

- In the report there are a number of tools that other cities have used to combat this issue. It is still very difficult, and few places have done a great job in this.

Commissioner Shapiro: Equity in neighborhoods has to do with intention. The Pearl District has a set-aside for affordable housing and includes five affordable buildings there. South Waterfront was planned with this intention. Portland has done things in the past to promote affordable housing. What tools are accurate representations of what we need to do about gentrification?

- The Housing Set-Aside Program through PDC and PHB is key. The other tool is the LTE program through PHB. We could focus that tool even further into these most at-risk areas. This study is an education tool that we can use in conjunction with partners to tailor their programs too.

Commissioner Smith: This mapping is a snap shot. How fast would colors be changing in real time? That drives how much lead-time we have to get in front of these issues.

- Next spring we’ll have updated data for the past 2 years. We haven’t had time to look at the changes in the 1990-2000 time range.

Where should the pro-active investment to make the scenarios look better go? How do we effectively govern the problem and stay on top of it?

- Staff came to the City’s Planning and Development Directors’ meeting to discuss who does what and share the data. It’s BPS’ role to keep the question in front of City planning and to be the nexus for the information to be shared. PHB provides the affordable housing options.

Commissioner Shapiro: The economic development of the community suggests as the economy improves gentrification is more a risk... like now, because the economy is picking up. There are many opportunities in Portland right now, and people should be buying, but that means gentrification will be happening more quickly.

Commissioner Rudd: Is job training included in the Best Practices Toolkit?

- It could be; people’s skill sets need to correspond to available jobs to be meaningful.

Chair Baugh commented that East County is vulnerable but without gentrification risks at this time. The susceptible (yellow on the map) area is the “firewall.” This is about maintenance; if we can get policies in place in East County now, we could reduce displacement. How do we keep the people in vulnerable areas without gentrification risks there? What tools can we put in place? Do we want to save this large, diverse area as the city? As we implement policies, we

need to continue to hold organizations accountable to putting in effective housing in various areas. This affects businesses as well (e.g. potential for clientele moving).

- This is a great set of questions and a segue to the Housing Opportunity discussion.
- The challenge is to make the community investments to create more, better places to live helps relieve some of the pressures of where private investments go. As you improve the area, you have to make it where the people who live there today can stay and realize all the benefits coming to them.
- What does the PSC want to focus on and leave as your legacy? This could be a key item. We have an opportunity to maintain and improve that area of our city.

Commissioner Rudd commented on the line and protecting East Portland residents. We want to see more diversity of incomes there too. LIDs, more neighbors with more resources could help overall. We have to be intentional in looking at this and the displacement risks in the context of a changing city.

Housing Opportunity Strategy

Briefing: Tom Armstrong; Daniel Ledezma

Documents

- Portland Housing Growth & Opportunity Analysis Report (PHGOA)
- [Housing Affordability Maps](#)
- [Opportunity Maps](#)

This project reviews how Federal investments interact, and what types of communities are we creating. Through that framework, PHB looks at making housing investments that the market is not housing (e.g. lowest incomes) without disparity in outcomes.

Over the years, the “who” of PHB’s strategy has been clarified; the “where” of the bureau’s work has been slightly lost as it has taken on areas opportunistically aside from URAs. The bureau has not prioritized the relationship between people and place. People generally live in segregated areas within the city. As part of PHB equity agenda, they are furthering the fair housing agenda. Questions include: Are there places with concentrations of affordable housing? Is the City inadvertently creating more disparities via investments? What is right balance of investments? There is a multi-objective goal to “buy affordability and preserve affordability” depending on the neighborhood. How can we better coordinate with housing, education, health, parks and others to create a more comprehensive framework and leverage funds throughout the city? This calls on PHB to be advocates, which may not just be about investing in housing... it’s about the right mix of investments.

There are a number of questions about how we use our resources and how we make investments. There are large areas of the city where there are limited funds to use. How can we leverage funding?

A Technical Advisory Committee provided input to the housing opportunity strategy/analysis. It was comprised of staff from a variety of bureaus, philanthropy, education and health care organizations as a sounding board and to provide direction. Staff ground-truthed information by using DCL partners for feedback about the maps, housing preferences and PHB’s recommendations in the report.

Daniel provided a review of the maps. They can help in determining the next place where PHB would try to focus home-ownership investments.

At 30 percent MFI for a family of 4, there is not a place in Portland where the family can afford to rent or buy. At 60 percent, there are some pockets of affordability. At 80 percent we hit the

cut-off for Federal funding, so we can't direct Federal funds to people making more than this. Almost everything east of I-205 is available at this income level. In terms of the types of housing needed in different neighborhoods, location makes a difference.

Commissioner Smith asked about workforce housing. This mapping shows that there is workforce housing available in all locations. Yes.

Chair Baugh: In terms of income levels, it would be interesting to see the number of jobs in Portland that meet this qualification. Income levels are fine, but the population levels are the important piece regarding who you serve.

- It's also the education required to get to those jobs.

Opportunity maps are to show where in the city, by virtue of being in that specific place, amenities are concentrated. These are based on the CLF equity maps base layers. They show where the "already good" parts of Portland are, and where we need to make investments.

Opportunity is proximity to a density of the metric being measured in the individual maps (and the combined map). It may be thought of as where the amenities are.

How do we use investments to buy affordability in areas with high opportunity according to the maps? Would it be cost effective to build higher-density housing in high-land value areas? Is there something to be said about low-income people have great access to health care and transit? The other side to balance is to what extent do we want to preserve affordable housing in areas that are more vulnerable to displacement?

The combination of outcomes is shown in the map with the city chunked into 8 different sections. Resources, opportunity and risk for displacement influenced PHB's recommendations as shown starting on page 11 of the analysis report.

Each of the 8 areas shows an analysis of the particular area and highlights a specific project or program in the area. How can investments (timing, coordination) best work to serve the different areas of the city with the right balance of investments? Housing is foundational, but infrastructure investment can be a catch-22 to create the scenarios that lead to displacement. How can we ensure when the city makes investments in an area people can stay in their current neighborhoods?

Chair Baugh: What is the next step with this report?

- This is a 90 percent draft that we're sharing with NAs, other groups/orgs. A 99 percent draft will go to Council for adoption and discussions will continue with partners.
- This fall, PHB will use this framework to prioritize where the tax exemption programs will go.

On the PHB webpage there is a comments section to provide input.

Complete Neighborhood Analysis

Briefing: Tom Armstrong, Spencer Williams

Presentation: <http://efiles.portlandoregon.gov/webdrawer.dll/webdrawer/rec/6019320/>

The idea to create complete neighborhoods has been a guiding idea in the Portland Plan and Climate Action Plan. It touches on a number of themes and citywide outcome opportunities. It provides a look at where bundles of civic and community amenities, access to food and parks, and other resiliency are.

Complete neighborhoods also create large implications for the transportation system in terms of access to the transportation system and where the goods and services as well as jobs are located. A look at a “city of short trips” has a number of benefits.

The bundle for a complete neighborhood includes transportation options; access to shops and services; access to food; schools and open space. There are other factors we can look at in different ways, but this is the initial group of amenities staff is looking at.

The organizing principles around mixed-use centers and corridors, as well as connections, lead us to create more centers and corridors.

Elements included in the bundle of indicators are:

- Walkability
- Bike access
- Transit access
- Commercial services
- Food
- Parks and recreation
- Elementary schools

The combined map outcome is similar to the housing opportunity map. Both the quality and proximity of amenities are taken into account (e.g. bike facilities). This reinforces the need for an effective investment strategy.

Chair Baugh asked about the investment strategy. Is there a map of past investments?

- Budget mapping has been included in the budget process the past couple of years. Council is asking if this should continue in the upcoming budget process.
- *Commissioner Smith* commented that budget mapping has mostly been at the neighborhood coalition level, so it has not been granular enough to be meaningful. We should focus on things that have real disparities. *Commissioner Gray* agreed.

Commissioner Schultz asked about ecological conditions of each neighborhood. It would be interesting to overlay to see opportunities within neighborhoods (e.g. solar access).

A way we can use this as a tool is to look at centers and corridors as a focal point for our growth management strategy... what does a community need to be more complete? This varies throughout the city.

The completeness chart shows population versus level of completeness. The cluster of outer east centers appears to have a high level of population in 2035 as well as lower completeness. In terms of an investment strategy, looking at needs (deficiencies), vulnerability and population, we look at prioritizing Midway, Lents, Jade, Rosewood and Gateway. Does this match with the housing policy? If you look at the neighborhoods we expect to grow that are already fairly complete and have a higher risk of gentrification, we want to spend our affordable housing dollars in these areas (Central City, Lower Albina, St Johns, etc) while focusing investments in infrastructure on the top right (on the chart) areas.

The Comp Plan Update is about growth between now and 2035. When you think about change in the face of the city of those years, if you were to put the total funds the City will invest with the private investment, the private funding will dwarf the City’s investments. The City’s investments are strategic to help drive and influence private investment. Investments in infrastructure in areas list East Portland can then help likelihood of housing success better in the longer-term. As we are paying attention to gentrification, the difference between public and private investment can appear; private investment may look like gentrification, so there is a tension in trying to manage the impacts this has on the market.

Commissioner Shapiro: What did private investment contribute to the already-complete areas? Private investment made lots of these areas happen, and they likely led the way. We can learn that private investors do a lot. Maybe we should allow private investors to continue their funding where they will.

Commissioner Gray understands that we don't want to add more affordable housing without infrastructure. The biggest fear is that people in East Portland have been waiting a long time for the amenities and infrastructure to support people. It can't be one or the other for housing versus infrastructure.

The diagram will be a key feature of the public conversations for Part 2 of the Comp Plan Update work. Community discussion about needs will continue. We can also begin to overlay infrastructure investment lists into this completeness analysis to see how far strategic investments move the needle.

Chair Baugh thanked staff for the work and coordination on projects shared today. Hopefully the community sees the benefit of this work.

Susan commented on how far we've come in our discussions the past few years. Now the Commission is very focused on gentrification, infrastructure and East Portland. As we look at other things coming to the PSC, we have TriMet's work in East Portland; PBOT's infrastructure plan; and with PP&R. This might be something the PSC wants to have and ask directors and staff from those bureaus come to the PSC to have the complete scope of all investments and work, funding opportunities. Inviting the new PBOT director would be a good option too.

Adjourn

Chair Baugh adjourned the meeting at 3:30 p.m.