

## Portland Planning and Sustainability Commission

Tuesday, April 14, 2015

12:30 p.m.

### Meeting Minutes

**Commissioners Present:** Andre' Baugh, Karen Gray, Don Hanson, Mike Houck, Gary Oxman, Michelle Rudd, Katherine Schultz (arrived 12:38 p.m.), Howard Shapiro (arrived 12:38 p.m.), Chris Smith, Teresa St Martin

**Commissioners Absent:** Maggie Tallmadge

**City Staff Presenting:** Joe Zehnder, Susan Anderson, Troy Doss, Eric Engstrom, Deborah Stein, Tom Armstrong, Mark Raggett, Marty Stockton, Peter Hurley (PBOT)

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

### Items of Interest from Commissioners

- *Commissioner St Martin* noted the Tiny House conference in Portland this weekend.
- *Commissioner Gray* commented that Parkrose charter school built two tiny houses that will be on display. She also noted that she chairs the ACE school board on late Tuesday afternoons and will leave at about 3:45 p.m.
- *Chair Baugh* thanked the commission for the work on the PDC URA project. As a commission, we talked extensively about housing. Council really did hear our concerns and comments that enabled “the old housing advocates” to testify and have their voice heard about the need for affordable housing.
  - *Commissioner Houck* noted that the result will be less funding for parks, which is a big trade-off that we should be aware of. It shouldn't be a zero-sum game, and the parks advocates provided support, but we know there is limited funding.
  - *Chair Baugh* noted it does have to be both housing and parks.

### Director's Report

Joe Zehnder

- We have a number of project heading to Council in the next week or so:
  - Building Energy Performance Reporting – tomorrow at 3:30 p.m. time certain.
  - Sustainable City Government Principles and Green Building Policy – Wednesday, April 22 at 9:30 a.m. time certain.
  - Tentatively on April 30 at 2 p.m. is the Terminal 6/ Pembina hearing.
- Kathryn Beaumont from the City Attorney's office provided PSC members a reminder about public record rules. The commission is a public body, so communications that pertain to your work as a PSC member are public records, and we are required to retain them and produce the records on request.
  - *Commissioner Smith* asked about voice mail. I don't believe my phone provider has an infinite retention. How do we take care of this?
    - Those that are retained are public records, but if they are gone, they are gone.
  - *Commissioner Oxman* asked about the hundreds of past emails.
    - You can forward them to Julie as a batch or you can hang onto them; it's your choice. It's easiest to provide them to City staff so you don't have to worry about holding them.

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

## Central City 2035 SE Quadrant Plan

Briefing: Troy Doss

### [Presentation](#)

*Commissioner Hanson* noted that there have been 14 advisory committee meetings, which he chaired. We had a very good process, and the group had a good consensus about the proposed plan. It's balanced with the diverse interests of the group.

Troy introduced the team that has worked on the plan, including staff from BPS, PBOT and PDC.

Most of the area is zoned for employment and industrial, but there is quite a bit of underutilized mixed-use land.

This district has about 18000 jobs today, which has been growing approximately 7 percent annually, even during the recession. The area has largely been left alone since the first Central City plan. The employment opportunity sub-area is really the only thing that has changed since 1988.

The inner southeast station area plan was the beginning of this work: OMSI, Clinton, Rhine, Holgate stations.

The goals of the plan include:

- Expand employment opportunities
- Protect industrial businesses from incompatible uses
- Foster safe and vibrant station areas
- Create a regional waterfront destination

There was general agreement on these four goals among stakeholders.

The big strategies include

- Expand employment opportunities
- Attractive, safe station areas
- Maximize potential of mixed-use corridors
- Regional waterfront destination
- Enhance efficiency of multi-modal transportation network

Troy provided a history of the area and its evolution (slides 9-16). Some of the industries didn't even exist when the original plan was developed. There has been growth in the new industries while not losing the old, more traditional industries. The industries typically work fine with each other in the area. The uses aren't conflicting, and in fact, there is somewhat of a synergy between some of the businesses. There are more cars, but the biggest complaint from some is the parking problem. But this issue is also seen as a market success.

Compared to the goat blocks with residential/mixed-use and freight concerns, we are not seeing this issue in this area. That is a different situation. Here it is jobs (office) that are using the older industrial buildings.

Going through the planning process, one of the big endorsements was from Pacific Coast Fruits, a huge freight user. A large portion of their workforce bikes to work, which is good for keeping the roads open for delivery and freight. We don't see much freight delivery in the peak commute hours.

In addition to the Stakeholder Priorities (slide 18), through public events and committee meetings, staff heard three things that will be addressed and likely will receive a number of comments from the public:

- Protect the district's industrial uses including protecting freight movement.
- Manage impacts of increasing employment densities including demands for parking.
- Improve conditions for cycling and pedestrians so that as more people access the district they can do so more efficiently than they can today.

*Chair Baugh* noted his office is in this district. Second Ave often has truck lined up and idling all night long to keep their refrigeration going. Are we looking at policies around this issue? Even if the truck isn't idling, the refrigeration unit is going.

- It hasn't come up in discussions. Second Ave is not an area that we're proposing any changes. People know they're moving into an industrial area, and we will continue to approve if they are operating within lawful limits.
- The disclosure statement makes the tenant or successor of property know the approved uses and requirements of operating in the area.

*Commissioner Schultz* asked about a more sustainable solution to idling. Not discouraging the activity, but could they plug in for example?

- We can work with PBOT and owners, but this is a comprehensive land use and zoning code change, a land-use plan. We can look at adding a policy statement. We did touch on this issue with WHI.

*Commissioner Oxman* is supportive to maintain industrial capacity in the district. For the disclosure statement, is that effectively implemented by realtors?

- *Commissioner St Martin* noted if there is a requirement for disclosure that is included as a requirement by the state or by the local constituencies. Failure of the seller or landlord to disclose information about the property puts them at risk.
- Staff talked to BDS enforcement about complaints, and there have been none in the area as of now.

There is a parking permit situation right now by the Central Eastside Industrial Council (CEIC). We need to reign this in to about 80 percent capacity. We are trying to increase mode split significantly. This is a district where people work in shifts, often late-night when transit isn't running. There are about 3-4000 parking spaces that are sitting unused at peak hours, so we want to be sure we are using the available parking to its greatest extent. This is an issue with the current code, which we'd change to make the spaces allowed to be used by employees and others using/purchasing in the district.

*Commissioner Rudd* asked about the current zoning along Water Ave and the increased number of food and bar uses going in along Water Avenue.

- The existing zone allows 3,000 square feet of retail per site and the area is highly parcelized so there are a lot of "sites".

We also need to look at enhancing freight mobility. We're looking to enhance east-west streets and converting a few key streets to be one-way streets. We'll combine this with better signaling to make getting through easier for both freight and bikes.

Freight counts will be an issue we will hear about as well. We need to find a way to manage this. There are concerns about conflicts between freight and bike. We are trying to address this existing condition, which likely will escalate: how do we get bike commutes through without conflict with trucks? The inner SE neighborhoods have the highest (23 percent) bike mode-split in the city, many of whom go through the central eastside.

Other priorities include supporting the innovation quadrant; activating the mixed-use corridors;

enhancing the livability of the district; and creating a regional waterfront destination.

We've proposed additional mixed-use/residential at the Clinton Station area.

At the OMSI station, we've proposed EX without housing to promote employment transit-oriented development. The area is not housing-compatible and wouldn't be able to create enough sense of place to encourage housing in the area. The additional uses we're proposing are significant compared to the industrial area that surround OMSI today. When you look at the future of the land there, the big driver seems to be proximity to South Waterfront. Opening the area to a more flexible but still employment zoning will spark development and bring activity. When you look at who owns the land, of the parcels that OMSI owns, only one could be an attractive residential building. The northern boundary is Clay St.

Water St is zoned IG1 with the employment opportunity overlay.

Out of the entire plan area of about 600 acres, only 9 acres are being up-zoned to allow housing (EX). This could be developed to be 5000+ units.

TriMet talked about the zoning change at Clinton at a previous PSC meeting. They are on-board with the housing change at Clinton.

The approach to expanding the employment opportunity subarea (EOS; slide 26) allows us to meet employment projections. In those areas, you could do industrial office above manufacturing/industrial use on the ground floor in the IG1 zone. This is what the SAC put forward; but we likely will hear a number of people testify that they'd like EOS in other areas.

The reason the existing EOS is restricted was to experiment about industrial uses in the area but a concern about a tipping point. The new zoning supports the conservative approach but has more development capacity for job capacity than the expected demand for jobs in the area.

There is not a unanimous decision within the CEIC about expanding the EOS zoning. There may be a different zoning tool they might want to recommend.

Their main concerns about expansion are the limited parking in the district; impacts on freight; affordability of space; and that the proposal includes too much retail space.

*Chair Baugh* asked about pressure on small businesses in terms of costs/rent and availability of smaller spaces.

- Ideally an office is either in EX or EOS. Part of this is that the market is tightening up because of development and tenancy is being realized in the EX area. Expanding the EOS can bring in more potentially places for businesses to go to moderate price increases.
- Only can have 60,000 square feet office use per square foot. We are proposing to change this to be 3-to-1 FAR. EOS was in part adopted to preserve the historic buildings in the district.

Others think the proposal hasn't gone far enough and say EOS is not being applied district-wide, resulting in inequitable treatment and a missed opportunity for greater job creation.

The amount of change is focused in the station areas and MLK/Grand avenues. Even with a full build-out, we are talking about adding only 1700 jobs over 20 year, a fairly low amount of growth.

OMSI developed a district plan last year. The areas OMSI controls are about 21 acres. A number

of their neighbors don't support adding housing to the area.

We are proposing the full range of uses in the OMSI plan aside from the one housing proposal. The goal is to orient development toward the river and station areas to create a sense of space.

The public review draft of the SE Quadrant Plan will be released on April 28, with a PSC hearing on May 26. Then the project is tentatively slated to be at Council on July 1.

*Commissioner Oxman* asked about the proposed mixed-use zoning. Is housing currently allowed here?

- It is conditional use (zoned EG currently) and does include housing today. The proposal is to do EX without housing. Office and retail use would be allowed in much greater densities.

*Commissioner Shapiro* commented on the OMSI area. I think housing and employment are compatible and should be encouraged. I do understand the rationale.

*Commissioner Hanson* asked about the white parcel areas on the EX maps in the presentation.

- Open space zones, mostly how you get on and off the bridges, no changes proposed.
- Multifamily zoning in other areas, also no changes proposed.
- EX is not necessarily needed on, for example, Hawthorne since it's already developed.

Is there enough industrial capacity in the "islands" to justify not expanding the EOS there? That is the question. This was a big discussion with the SAC. The OMSI issue was largely resolved by the SAC.

*Chair Baugh* noted this is a TIF district. My concern is that the area has been a place with very small businesses. Now there are new opportunities for the building owners, so long term, the small businesses are going to have to find a new place to go. We need to preserve affordability for new businesses to come in and grow.

- This is expanding the ability to do those types of operations. We have support from those types of businesses: bigger pool of smaller, affordable spaces. Also the very small businesses are expanding and growing.
- *Commissioner Houck* reminded the PSC that we've been in a protracted conversation about the lack of industrial land and asked staff why we would want any housing that might displace industrial land.

*Commissioner Hanson*: Some of the SAC members have businesses that have started and grown there. They want to stay. They are able to attract employees. I would support a suggestion about programs to endorse to stabilize rents for incubator businesses. Part of the recommendation about not having housing at OMSI was to address the compatibility issue with freight. With the new line going to Milwaukie, the ETOD prospect is a good place to emphasize this option.

*Commissioner Baugh* asked about trains.

- We know Union Pacific is not going to go anywhere, but we did talk about a quiet zone. There is a policy to look at a quiet zone going through the area in the future.

Population increase is expected to bring 3500 units total, and we're getting to about 2500 through current proposals. Most are for rentals. There is potential to get up to 5000. We'd expect kids would go to school in Buckman or Hosford neighborhoods.

*Commissioner Rudd* asked about the amount of residential population growth and where kids would go to school.

- Population increase is expected to bring 3500 units total, and we're getting to about 2500 through current proposals. Most are for rentals. The expectation is this will largely be workforce housing. There is potential to get up to 5000. We'd expect kids would go to school in Buckman or Hosford neighborhoods.

*Commissioner Rudd* noted that although she understood the argument about there not being sufficient housing capacity at OMSI to make it work, if there was sufficient "there" there, proximity to OMSI and the resulting STEM opportunities could make it attractive to families.

## **Comprehensive Plan Update**

Work Session: Eric Engstrom, Joe Zehnder, Deborah Stein, Tom Armstrong, Mark Raggett, Marty Stockton, Peter Hurley (PBOT), Art Pearce (PBOT), Courtney Duke (PBOT)

Eric provided an overview of today's Work Session.

## **Transportation**

### [Green Loop Presentation](#)

The Green Loop is not currently included in the TSP. It will be surfaced in the Central City 2035 planning process and then would be an amendment to be added to the TSP.

Mark provided an overview of the Green Loop concept. It's about public space, health and making the Central City a more attractive place for more people more of the time.

There are pieces of the loop already established. Need to add safe and clear east-west connections that build on infrastructure that's already there. We want to add the feeling of Sunday Parkways.

Broad objectives of the proposal include:

- Improve health
- Connect and create parks
- Support businesses
- Extend pathways
- Encourage riding
- Grow and build green

Potential alignment includes the Park blocks, Broadway Bridge, Clackamas St cap, Lloyd on 6<sup>th</sup> or 7<sup>th</sup>, I-84 crossing, 6<sup>th</sup> or 7<sup>th</sup> on Central Eastside, Clinton to the River alignment and Tilikum Crossing Bridge.

Funding will likely be through alternative/private funding as well as public funds.

We are thinking about design and character to bring all people comfortable in the Central City. Community engagement has begun, and an aggressive timeline could see construction beginning in 2019.

*Commissioner Houck* noted the Policymakers Ride, which this year will focus on the Green Loop, will occur this summer and the PSC and BPS staff will be invited to ride along.

*Commissioner Schultz* commented on bikes and pedestrians and The Walk in Boston. We should make the loop more interesting for visitors as well as those who live here and can use it as a transportation trail.

The PSC confirms the direction that the Green Loop will continue in conjunction with the

CC2035 Plan, not to amend the current proposed TSP list.

### [Transportation presentation](#)

#### *Streetcar*

Portland Streetcar Inc (PSI) sent the PSC a letter of recommendations, which staff recommends:

- Include Johns Landing project on the constrained list. This would extend to Willamette Park.
- Study other potential extensions. There are a number of other corridors where we'll need to enhance transit capacity.

*Commissioner Smith* said that Macadam will have to link to other corridors to create a full project. We'll need new funding mechanisms since we don't have TIF funding districts or value-capture to pull this off. What about affordable housing and TIF set-aside? An effort like how we designed the eastside streetcar will likely be necessary. We should identify the corridor study. Does it make sense to include Macadam on the constrained list without linking it? It will be part of the bigger discussion and not built by itself.

- This is part of the RTP. We want to look broadly at potential corridors at first, then delve into the study of specific corridors.
- Joe: It's important to think about equitable distribution of major transit investments. How the TSP is structured makes sense, but it doesn't explicitly tie projects and studies together. Major investments will have an impact, but funding is not always there to build out, for example, affordable housing (e.g. on Interstate). We're trying to pull these together in planning and into the project costs.
- *Commissioner Houck* also commented on Interstate and the Coalition for a Livable Future's intent for an equity component and review.
  - We don't know the results of this but can look into providing that.
- *Chair Baugh* noted the link between Macadam, equity and the enhanced transit. The streetcar may not be the right tool for development changes in East County, but we can't do these and invest in a silo.

We know the importance about the investments we've identified and working with TriMet to look at their corridors their planning to match investments there. The LOI would then look at how we provide transit service to accommodate growth and improve access to make it all work better.

There is concern that we not proceed with the next streetcar line until there is confirmed funding for East County transit improvements. We need to pair the Macadam line with certainty there will be options for the Eastside transit in that same time frame.

This is the intent of the partnership between BPS, PBOT and TriMet: to look comprehensively at the corridors that need significantly enhanced capacity.

#### *SW Portland projects*

There are very high project costs in many parts of Southwest. There are many gaps and deficiencies in the networks in the area as well as issues with soil and stormwater infrastructure. There are topographic constraints that also drive up costs and fewer centers and less projected growth in the area as well. We are proposing that one of the studies be Southwest in Motion to help identify how we can fill in the gaps.

Residents in Southwest have different views on density. Hillsdale supports the center. There is a questioning of center in Multnomah.

Slide 4: What we heard about projects in Southwest.

*Commissioner Smith:* I understand what we've heard is that solutions are so expensive that they will only happen in the distant future.

- Yes, there is a higher density of these types of issues in Southwest.

Segmenting is an option. We could segment and look at which segments would serve more people, reduce injuries, etc, this could make the improvements more likely to occur.

Re-scoping is another option. We have to look at contexts.

Citywide, we are proposing a new program called Alternative Street Design, which would fund interim safety improvements like safer shoulders. This would be done in partnership with BES.

We can also look at substitutions – where there might be new projects that are more appropriate connections to destinations than the project we had in the TSP.

Staff will send revised recommendations to the PSC by the end of the month and will meet with the Southwest community. There will be extensive, ongoing work, but the initial list will identify projects and changes in these four categories.

*Commissioner Houck* noted environmental constraints. Some people's advocacy for less expensive facilities have argued there should be less or no review of the environmental impacts. I'm assuming you're not doing that and are working with BES, PP&R and other experts.

- We are working very closely with our sister bureaus, much more than in the past.

#### *Other TSP items*

*Commissioner Smith* commented on the CRC. Arterial access to the island can't easily be taken apart from the access to Marine Dr. I would like placeholder project in the TSP instead of the full CRC in the TSP. Is this viable?

- We want to take a more extensive look at a number of options. We are interested in being able to evaluate components of the CRC. But because it is a state and regional project, we have to work with those partners. And the cost to "deconstruct" those projects will need their assistance to see how we can cost and scope the component projects. We're putting together a plan to do this is something we want to bring forward to the PSC.
- *Commissioner Schultz* is not necessarily supportive of breaking out the components of the CRC.

*Commissioner St Martin* asked about West Hayden Island (WHI).

- PBOT is meeting with the Port tomorrow. Hayden Island broadly is one of the topics. The PSC will have to determine which projects best support the land use that is recommended to Council.
- The WHI discussion at the PSC is on April 28 during the hearing on the EOA. On May 12, we will follow up with the work session to close up economic policy discussion. It is in the PSC's hands to make sure the transportation meets the land use needs.

*Commissioner Houck* noted the meeting with the Port. Are you also meeting with other stakeholders?

- The Port, ODOT and TriMet are the agencies we're required to coordinate the list with, so that's why we're meeting with them.

#### **Residential Densities**



### Parkrose

This is a proposed up-designations we included in the consent list, but it was a request from *Commissioners Gray* to review today. Some properties have potential for residential density above what's allowed today to stabilize abilities of families to stay.

Staff recommends up-designating R2 to R1 to allow for more family-sized housing for the proposed area at 148<sup>th</sup> and Burnside. There is a MAX station with pedestrian crossings within a half mile. In that area, parcels are currently under-utilized, so there is good potential for development.

At Stark, staff does not recommend up-zoning. In this area, there is newly proposed mixed-use to address non-conforming situations. There are also already lots of apartments in this area.

At Glisan, it is outside of the half mile radius of the MAX station, and staff didn't think R1 is the right designation.

The addition of the 3.5 acres to R1 at the Burnside and 148<sup>th</sup> site is what staff proposes.

PSC members confirmed this recommendation.

### **Housing**

#### *Affordable housing targets*

The memo addresses question of affordable housing target: what should it be? What sort of housing are we talking about? How should we set this target?

The goal is that 15 percent of the city's housing stock be affordable in 2035. We are down to 7.5 percent currently. Is this goal reasonable and attainable?

What we have experienced is approximately 480 units/year over last decade. The production needed to meet the new goal is about 1000 units annually, so that's ambitious. From the population forecast, we expect 18 percent of households to be in the 80 percent MFI range.

Staff recommends that we use the Comp Plan to put us on a path to think about housing production like we do transit projects. Projects should be included with costs associated. We don't have a good understanding of housing supply. And there is uncertainty of a funding strategy for housing. There is a steep decline expected in TIF resources, which will be felt substantially for affordable housing.

*Commissioner Shapiro:* How do we hold people to this?

- This is a little illusive because we don't have federal and state mandates like the TSP does. Setting the policy in the Comp Plan is reasonable to set the expectations that this strategy will be done. We need a financial plan and motivation to do one built in the Comp Plan to get this going.
- With limited TIF dollars, we're seeing more needs and trade-offs. There is an opportunity to provide direction about funds.
- *Commissioner Houck* noted this isn't unique to housing.

*Commissioner Hanson:* Will this help us to motivate the private sector to increase volume of affordable housing they build? I think the private-public partnerships are key.

- This is tied to a housing goal and can create pressure at a regional level. Part of the demand for housing in the city is for households who can only pay this much. There is a market opportunity because this income cohort is growing.

*Commissioner Oxman* asked about the performance of the private sector.

- We don't have a sense of the housing market supply at this point. We need a better understanding of this. If it's not subsidized and it is affordable, it's likely smaller, older or has other issues. We don't know how to untangle this.

*Commissioner Rudd* said that FTA funding supports TOD that increases ridership. The draft Climate Action Plan says low-income populations utilize convenient transit more than wealthier populations. Assuming the environmental documentation shows a potential transit project impact on housing for low income people, you could potentially link providing affordable housing to the transit project.

- This is the focus of lots of discussion, for example on Powell-Division, Barbur and the SW Corridor. Getting ahead of the game through land banking to have a supply of affordable housing before land values go up is the thinking, but how to finance it hasn't come up to speed yet.

*Commissioner Houck* likes this approach. Lack of resources is not unique to affordable housing. Portland Parks Vision 2020 and The Intertwine's regional parks and natural areas vision are both aspirational. For example the bi-state regional trails plan will take 190 years to implement at the current rate of investment. That's a wake-up call for additional resources. We need the same with affordable housing. We need to be aspirational and recognize the financial constraints.

*Commissioner Shapiro* asked about other institutions and land banking funding options.

- Within the housing community, land banking is a big idea. PHB, PDC, CDCs and Home Forward are looking at this. The big hurdle is the initial capital, but the desire to get there is definitely there.

*Commissioner Houck*: I like the reference to Metro and inclusionary zoning. Have they been tracking this data?

- Not really.

*Chair Baugh* likes the idea of the financial plan and looking at new tools as part of the plan. Metro has a critical role in the regional strategy of affordable housing. If people can't afford Portland, it becomes another city's problem. There should be a regional financial strategy for affordable housing.

PSC members confirmed the staff direction.

#### *Single-dwelling development project*

In next year's BPS budget, we have proposed looking at development standards for single-dwelling development. This would include:

1. Height requirements and set-backs and making tweaks to better ensure infill development is at an acceptable scale for the existing context.
2. Rear yard requirements.
3. Skinny lot development.

This is mostly in R7 and R5 zones.

We need to accept infill development to meet our 2035 goals in a way that's predictable but prevents unacceptable manifestations of infill.

Right now we're also rewriting institutional and mixed-use zones. These projects come to the PSC this summer.

In the coming year, through a Metro grant, we're also proposing a review of development standards for multi-unit projects and improving the design of these.

Overall to help people understand what their neighborhood may look like in the future.

*Commissioner Houck* expressed concern about infill. We are often losing tree canopy with infill.

- We are designing the new standards around the Tree Code.

*Chair Baugh*: Does this address many of the concerns we've heard around the "McMansion" redevelopments?

- We believe, especially the skinny lot part of this, can help address parts of this. It will be in the base code, not a design standard. It's won't discretionary or design review.

#### *Anti-Displacement Coalition Recommendations*

PSC members received a letter from a coalition of organizations that suggested ways of combatting displacement. Staff has met with the City Attorney and coalition representatives. Comments are in the staff memo.

Staff agrees with:

- Add more clear mention of affordability in the Guiding Principles.
- Chapter 2 and effective public involvement, particularly for those who may be adversely affected.
- Chapter 3: Adding a notion to identify and mitigate impacts as a general development principle.
- Suggestions for the Chapter 5 additions to policies.
- Adding a target for affordable housing.
- Including an affordability mandate (e.g. inclusionary zoning).

In terms of impact analysis and community benefit agreements, there is a scale of projects where this makes sense, but for some projects it creates too large a hurdle and could stifle what could otherwise be a good project. We want a threshold so that the requirement doesn't hinder projects. Staff suggests these tools are appropriate for larger-scale planning (e.g. area plans and major transit investments). We want to be careful that these policies don't apply to everything.

There are some things that are good policy ideas that are not necessarily within the scope of what the Comp Plan can regulate. Tenant rights is an example of a very good idea, but this is a policy context outside of zoning.

The PSC could develop parallel recommendations that go back to the Portland Plan. We can collect these items that may not fall in the realm of the Comp Plan and land use but that we could forward to make sure Council sees them and adopts them somewhere.

*Commissioner Gray* understands that the Comp Plan isn't always the best location for some ideas, but the ideas shouldn't be lost. Groups have spent hours developing excellent ideas. Communication to and with the community is very important. If the Comp Plan isn't the right venue, we need to be sure to community where the concepts go. Referencing the Portland Plan works too.

Our intent is an ongoing dialogue with the coalition. We agreed to take on additional legal research to work jointly on to move forward. Many of the items in the memo are implementation tools. Between now and finishing the implementation tools, we can work through some of these legal questions to see where and how we implement the different aspects and tools.

Zoning tools staff is pursuing now:

- CC2035 bonus provisions to include a much stronger affordable housing bonus. This will come with a report to Council in May and will be part of the CC2035 code.
- Mixed-use zoning bonus provisions to make affordable housing a substantial bonus

outside of the central city. A draft will come with the mixed-use concept plan.

*Commissioner Rudd:* Does our code allow tiny houses? Houses that, for example, are not on a formal foundation.

- There are tiny houses that are legally occupied. The bigger issue is that they have to be on the ground versus ones on wheels. For permanent ones, legal issues are about construction and utilities.
- As part of the single-family project, we are looking at options for larger lots with smaller buildings on it and how that could work. We want to make this easier to allow more density without changing structures.
- Micro-apartments are another area where the code could be clearer.

*Commissioner Schultz* asked about the bonus structure.

- This is a report that Council requested. We can get a copy to PSC members.

*Commissioner Houck* commented that the discussion of scale and how it's described in the memo makes sense to me.

#### *Homelessness*

The proposed policies relate to the tiny houses question. Policy 5.39 talks about housing types. We received comments to make this policy more explicit about safe, legal, sanitary and innovative with more options. The question is if we want to be more explicit about creative or innovative housing types that meet life safety building codes to provide more creative license.

Staff confirms 5.39 is broad enough with the statement "including but not limited to..." to give a framework without having to detail specifics within the policy itself.

*Commissioner Smith* asked about keeping life safety included but waiving other requirements.

- Comments were not specific about what could be waived. There is a pared down, simplified code for some smaller, transitional housing. What we require under the maintenance code versus new building code. Micro-housing has limitations about how small you can go, number of fixtures, kitchens, etc.

*Commissioner Rudd* commented about "limited but not limited to..." and making sure what we include as examples is broad enough to demonstrate the flexibility desired.

*Commissioner Oxman:* Being homeless is a safety issue in itself. We shouldn't be creating barriers to viable housing options.

PSC members confirmed the current policy is appropriate.

#### *Opportunity areas*

This is policy direction around housing location areas and strategy. We want to encourage a range of housing and affordability in areas that have high levels of completeness. This is different from the current Comp Plan that is more explicit about having mixed-income neighborhoods reflect the diversity of the entire region.

The new policy talks more about where we want to direct affordable housing (complete neighborhoods). In testimony, there was concern about mixed-income and losing the "balanced" language versus using the broader proposed language.

We do talk about income diversity in centers and corridors, but do we need to be more explicit in all neighborhoods across the city?

*Commissioner Houck* asked if we would potentially be concentrating low income people in

specific areas under this new policy.

- The current code says reflection of all in all parts of the city. But we want to have people who, for example, rely more heavily on transit, to be able to live close by it. We want to be more explicit and be able to get to our goals for access.

*Commissioner Schultz* fully supports the concept but is concerned that we could create segregation “for the right reasons”, but that neighborhoods could use this for the wrong reasons.

*Chair Baugh* is concerned about the unintended consequences of leaving the specifics out and the possibility of NIMBYism.

We want to create choice for those who are seeking affordable housing. Choices in close-in, accessible locations. But we don’t want to create barriers to choice outside of the central locations.

*Commissioner St Martin*: Perhaps we just remove the word “all” neighborhoods.

*Chair Baugh* commented on the dual investment strategy. Policy 5.26 somewhat gets to this, but we should be explicit and should be included in the new policy.

#### *Demolition*

We received lots of testimony about what we’re doing about residential demolitions. Staff summarized the Council sessions and code changes that are in the works.

We heard lots about demolition being a growth-related issue, but many demos in 2013 were just a one-to-one replacement or just a complete demolition. We also noted where there are new housing units created, there were few demos that resulted in the large majority of new units. Most new development is occurring in mixed-use zones. Some is growth-related (adding second houses, lot-splitting). The R5 is the most common zone in the city, so demos occur here lots, but percentage-wise, it is probably fairly close to the distribution of zoning.

Staff noted that we could improve the policy about discouraging demolition. Perhaps we move this into Chapter 4 (it’s in the sustainability section right now) to better tie this to preservation of existing affordable housing and maintenance of neighborhood character.

*Commissioner Smith* asked about Policy 4.13. This is what the neighbors are complaining about.

- This is at the core of the single-family development project.

*Commissioner St Martin* commented that when we can integrate sustainability into the area where the practice should be followed it is a good idea.

- *Commissioner Houck* concurs.

*Chair Baugh* is concerned that the policies don’t “sufficiently” address concerns about demolitions.

- There is a limit to what the City can do to respond to demolition concerns (e.g. the new delay requirement). This could also become part of the City’s state legislative agenda, like inclusionary zoning.

*Commissioner Hanson* confirmed the City’s improved notification process about demolitions is working better. I don’t know if we can expect to have an opportunity to actually change what happens with a demo though.

- Height and set-backs are what we can influence in the zoning code. We do not see a path to get to the City having control over demolitions at the “yes/no” phase.

*Commissioner Rudd* commented on McMansions. Large is not always a bad thing, e.g. it can be used for multigenerational housing that is sensitive to the area, which is a good idea.

*Commissioner Hanson* asked if you buy a house, tear it down, remove foundation, and then want to rebuild, do you pay SDCs or do you get credit?

- You'd get credit (within a certain time period).

*Commissioner Schultz* commented about houses from many periods, different sizes and how they're used over time. We need to recognize that this is ok. Variety in neighborhoods is good.

*Commissioner Houck* suggested that the language should acknowledge that the Comp Plan policies alone are not sufficient to address all concerns about demolitions.

This topic could be added to the list of additional recommendations to Council that is not part of the Comp Plan. This makes sense and is the direction staff will use.

#### *Commercial displacement approach*

This is follow-up from the centers and corridors work session. Like the housing displacement question, this discusses policies about commercial displacement. Policy 6.65 addresses involuntary commercial displacement. The specific tools are where the action is, but we do have this larger umbrella policy. There are other tools and policies that are also available that staff has been discussing.

Some of PDC's loans, URAs and other programs do relate to support businesses that may otherwise get relocated.

We are also exploring a zoning code bonus provision for affordable business space. This may create a monitoring issue, but we could get a third party into this role. The ground floor commercial right now is being over-built, so this sort of bonus could be used to provide more affordable commercial space.

Land trusts have addressed this issue in other cities. Some other cities and CDCs get directly involved with owning commercial spaces.

*Commissioner Oxman* asked if we think we understand the reason for low-income and minority displacement and whether it can be successfully intervened.

- We hear that it is a feeling that it is hard to be part of the conversation about who ends up being tenants in new mixed-use buildings. What can zoning do to be a part of this transaction?

Also, the feeling I have in looking at previous recommendations sounded like pilot projects. This doesn't see aggressive enough for me.

- We are highlighting the direction in the proposed plan. In the draft recommended plan, we can include this assertiveness by using stronger verbs.

*Commissioner St Martin* asked if this relates to the food cart industry and the sites (e.g. parking lots) being developed.

- Policy 6.66 talks about temporary spaces and using the transitional spaces to provide these opportunities.

*Chair Baugh* confirmed this strategy as part of an economic development strategy. This helps immigrant and low-income people to become part of the community and get more people have a voice in the potential next use of places.

Susan reminded the commissioners to look at the verbs again. Some people have pushed for very strong words around different areas of the plan. Make sure we use stronger verbs where

items are more important to you.

*Commissioner Oxman* asked if there was discussion around neighborhoods and populations transition, and people who have different needs than people who were there before. Was there discussion about assistance to business owners to modify their businesses to stay in the neighborhood and be able to stay in the same location?

- We don't have specifics about what the toolbox is, but it is a good idea.

Direction to staff: we will re-look at the verb choices.

*Commissioner Smith* noted the inclusionary zoning bill passed at the house this afternoon.

- It is focused on for sale, but not rental projects.

## Residential Densities

### [Up-Zoning Presentation](#)

Marty talked through what staff looked at in considering appropriate residential density in different areas (slide 2).

This is specific to non-conforming residential density and non-conforming residential designations; what is there today.

In the 1980s, the R5 zone was applied broadly in Buckman and Sunnyside to counter the many apartment buildings that were built in the 1960s and 1970s.

Inner SE is the largest part of the city where we haven't revisited zoning or updating to reflect current conditions since the 1980 Comp Plan.

### *Buckman*

This area (slide 6) received very balanced comments about the proposed changes. Staff proposes going from R5 to R2.5, which is also a single-dwelling zone. We could easily have proposed R2 (multi-family). This proposal is a conservative approach. The initial proposal was for two half-blocks. The new proposal adds additional blocks and properties based on testimony in support. R2.5 still fosters home-ownership. Regardless of if this stays R5, demolitions can occur.

80 percent of non-conforming uses here would become conforming. Another 20 percent multi-family buildings would become closer to conformance. There are 60 lots, with 27 under the minimum size for R5. 13 blocks have duplexes, which is allowed in R2.5 but not R5.

Corner lots (about half of the proposed) are under the R5 have the density provision to become duplexes and be divided.

The blue area is proposed to go to R1, multi-dwelling. It has a 10-plex that is owned by Home Forward, which is currently non-conforming. The middle lot is a duplex, and the corner lot is a 4-plex. All the lots are R1 properties but currently zoned R5.

Buckman didn't make a formal vote or statement about this proposal.

R2.5 still fosters home-ownership. Regardless of if this stays R5, demolitions can occur.

Slide 7 shows other proposed areas to convert that were requested through testimony. These are currently non-conforming uses that would be brought into conformance with the proposed changes.

Slide 8 focuses on an area that has existing R2.5 and R5 zoning, which we had proposed to go to R2 with some tweaks. Testimony and analysis has helped us revise the proposal. The dark blue to go to R1 multi-dwelling and the lighter blue to R2.

#### *Richmond*

Slide 9 Proposal to go to R2.5 as a gentle approach. It's an area with a high concentration of duplexes.

Slide 10 is a split-zone site: R1 with an R2.5 Comp Plan and R5 zone. This is a perfect R1 proposal.

#### *Sunnyside*

Slide 11 highlights testimony asked for an up-designation to reflect the existing development. It was proposing an RH zone. But we don't want to promote speculation and encourage displacement or redevelopment.

Staff proposes to go to R1 along Belmont in this area to match the zoning across the street. The existing density exceeds the R2 but is well under R1 density that's allowed because the site is so large. Staff suggests R2 with amenity bonuses for the rest of the area highlighted in light blue.

Slide 12 shows another proposal through testimony, located on Cesar Chavez, a civic corridor. The June Manor and other garden apartments are included. Staff proposed going to R2.5.

*Commissioner Hanson:* This is a good sensitive approach to match the diverse housing stock.

*Commissioner Houck* confirmed. *Commissioner Shapiro* also supports the proposals and commended the outreach to the community.

*Commissioner Rudd* is supportive but asked about the "surprise" 66 units.

*Commissioner Smith* noted the consideration in the proposals. But when we're down- and up-zoning in different areas, I'm curious if we are making patterns of favoring or hurting various socio-economic groups.

- We have been taking this into account: where is this situation occurring elsewhere, what and who the common actors are. These are questions we have been asking in the proposed changes.

*Commissioner St Martin* complimented the work and the dedication to not using a one-size-fits-all approach.

PSC members confirmed the direction and staff's proposed changes.

#### **Next steps**

Eric noted there is the EOA hearing on April 28, which will help to inform wrapping up some of the economic discussions.

The recently-released consent list was focused on mapping questions. The next consent list is largely about policies, which we'll be getting to the PSC in the next few weeks. There will also be a smaller mapping consent list with about 25 additional proposed changes.

Staff is keeping a running list of items individual commissioners wanted additional information about. This will be included in the last work session and/or in a memo for the PSC to review.

May 12 will include discussion of many topics like today. We will also include the consent list in



that conversation. May 26 is currently scheduled for the Scenario Report hearing and metrics and measures we set forth in the Portland Plan.

Around May 13, we will publish a strike-through-and-underline version of the policy sections that respond to PSC input. Then additional amendments for the PSC to get them on the table. The final vote, provided we get through all the components, will depend on how many additional work sessions we need to get through PSC members' amendments and/or consent list items that may be pulled.

If commissioners have concerns or want to discuss items on the consent list, we will ask you to let staff know what items they'd like to pull for discussion the Friday prior to the May 12 session.

If you have questions but may just need more information, staff can set up another pre-work session for commissioners.

*Commissioner Smith* doesn't have capacity to evaluate all the items on the consent list. The public can comment on these proposals at Council.

The CIC will join the PSC with a process update around the time of the vote and recommendation.

## **Adjourn**

*Chair Baugh* adjourned the meeting 5:30 p.m.

Submitted by Julie Ocken