

## Portland Planning and Sustainability Commission

Tuesday, May 12, 2015

12:30 p.m.

Meeting Minutes

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

**Commissioners Absent:** Katherine Schultz

**City Staff Presenting:** Joe Zehnder, Eric Engstrom, Deborah Stein, Tom Armstrong

*Chair Baugh* called the meeting to order at 12:29 p.m. and gave an overview of the agenda.

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

### Items of Interest from Commissioners

- *Chair Baugh* acknowledged the thank you card from the housing advocates.
- *Commissioner Tallmadge* noted that tomorrow is Mult Co Budget Forum being held at IRCO. Planning and development are topics that will be discussed.

### Director's Report

Joe Zehnder

- Two reports we'll send links to the PSC members:
  - State of Black Oregon. There is a consideration of development and gentrification.
  - State of Housing in Portland. Prepared by PHB as a snap-shot of housing conditions and affordability across the city.

### Consent Agenda

- Consideration of Minutes from April 28, 2015 PSC meeting
- R/W #7880 N. Terminal Road east of N. Lombard St.

*Chair Baugh* asked for any comments for the consent agenda.

*Commissioner Houck* moved to approve the Consent Agenda. *Commissioner St Martin* seconded.

The Consent Agenda was approved with an aye vote.

(Y9 – Baugh, Gray, Houck, Oxman, Rudd, Shapiro, Smith, St Martin, Tallmadge)

### Comprehensive Plan Update

Work Session: Eric Engstrom, Deborah Stein, Tom Armstrong

Eric provided an overview of today's Work Session. We have two primary subjects today, Residential Densities and Economic follow-up. We will wrap-up with a brief discussion of where we are with the PSC members' review of the consent list and a review of next steps.

### Residential Densities

### *Proposed R5 to R7 changes*

The July 2014 proposal includes a set of down-designation proposals labeled “distance from centers and corridors, and prevalent lot patterns.” The objective of this set of proposals was to adjust residential densities to better align the Comprehensive Plan designation with the lot patterns in:

1. Areas that are relatively distant from centers and corridors, AND
2. Where the existing development pattern is predominantly at a lower density than the Comprehensive Plan designation currently allows.

The proposal to down-designate is based on prevalent lot pattern originated with a 2011 request by the Reed Neighborhood Association, followed by a similar request by Eastmoreland NA.

To ensure that we treat like situations in like ways, staff scanned the city to identify any other R5 areas outside of centers and corridors.

In the July 2014 proposal, staff identified 10 areas that met the criteria:

- R5 areas that are distant from centers and corridors, and where the prevalent lot pattern doesn't jibe with the designation.
- Some of these areas are ZONED for R7 but have an R5 Comp Plan designation; other areas are zoned and comp planned R5 but have a strong R7 pattern.

There are three take-away messages staff heard from the PSC in the March 24 discussion, when we first introduced this set of map changes for consideration. We used these as guide posts as we analyzed the data and considered options.

1. Be clear about what problem we're trying to solve
2. Be consistent across the city
3. Keep it simple

Staff reviewed lots of testimony and identified issues from neighbors to ascertain: (1) Which are most appropriately addressed through changing the map from R5 to R7? And (2) Which are instead most appropriately addressed through zoning code changes?

Staff asserts that down-designation could address a subset of the 2 concerns expressed by neighbors:

- Large and small lots can be re-established based on historic underlying lot lines, where these exist.
- As mentioned in the previous presentation, there is a difference between the minimum lot size depending on whether the base zone is R5 or R7.
- A map change will not erase or negate the underlying lot lines, but it would increase the minimum lot size of any new lot that can legally be created. Therefore, there may be a net decrease in the number of skinny lots in the neighborhood.
- Larger lots can currently be divided based on allowable lot size in R5. The largest lots may still be dividable under R7. But there may be a slight decrease in the number of new lots created through land divisions if changed to R7, because fewer lots will be large enough to allow division.

Things that are not addressed by a map change include:

- Demolition of homes in good condition (*code*)
- New development is out of scale with existing homes (*code*)
- Duplexes allowed on corner lots (*Changes could be made via code changes to address scale or development standards, while still allowing attached units or duplexes on corner lots.*)
- Loss of economic and/or generational diversity within a neighborhood when smaller

homes are replaced by larger, more expensive ones (*same as demolition; can't be controlled by the map designation*)

Deborah walked through the staff's analytical approach to their review and recommendations and provided some examples.

*Portsmouth/Kenton:* (slide 8) The proposal for R7 to be applied in this particular area in North Portland was originally delineated based on where the current zone and comp plan designation don't match; our proposal is to retain the current R7 zoning and reduce the Comp Plan designation to match.

This is straightforward because the zoning is already at this lower intensity. Here, nearly all of the area in the proposal is red, meaning that the blocks have concentrations over 75 percent of lots greater than or equal to R7 density. The dark blue area is currently zoned R7 and the comp plan designation is R5. In this situation, the blue is misleading because there are two very large lots within this particular polygon, owned by Union Pacific.

*Southern Lents:* (slide 9) The proposal for this particular area in the southern portion of Lents, well outside of the Town Center, was originally delineated based on blocks that are designated as R5 but are primarily at R7 density, surrounded by other areas that are R7. Here, nearly all of the area in the proposal is red, meaning that the blocks have concentrations over 75 percent of lots greater than or equal to R7 density, with some pink and a little blue.

*Eastmoreland:* (slide 10) the Eastmoreland NA submitted a large quantity of testimony (nearly 100 in favor) asking for a down-designation of the entire neighborhood, shown on this map (extending east to Cesar Chavez Blvd). The neighborhood's reasons for proposing R7 are:

- Historic development patterns
- Lack of access to transit and services

Here you can see more of a mix of lot sizes within the neighborhood. Keep in mind that this map shows the entire neighborhood (extending east to Cesar Chavez), beyond what had been shown in the July 2014 proposal (which extended east to 36<sup>th</sup>). The yellow circle indicates a quarter-mile radius around the new Bybee LRT station. The closest retail corridor is on Woodstock, starting east of Cesar Chavez.

*South Burlingame:* (slide 11) Staff hadn't originally selected this neighborhood as a candidate for down-designation from R5 to R7 because of the proximity to a corridor (Barbur Blvd), commercial nodes within walking distance of many homes, and the variety of lot sizes. Like Eastmoreland, this neighborhood shows some concentrations of R7 lots and some concentrations of R5 lots.

The neighborhood does have the full range of roadway conditions. While there are areas with substandard, or even unimproved roads, they are most notably in the areas with the strongest R5 lot pattern. Substandard streets are also not a unique issue to this area.

Related to public safety, while they are in a general landslide hazard as in much of the southwest, staff has verified that there have been no record of landslides in any of the residential areas of the neighborhood in the past 50 years. Topography, while varied, is not in any way extreme so as to make R5 density here unadvisable.

Similarly stormwater management is a prevalent problem for most of SW as well as many other parts of the city.

Their concerns, as expressed by other community members citywide, emanates from the frustration felt regarding the size and scale of infill development, the demolition of older or humbler homes, and the removal of mature vegetation. These are issues that the designation

change in and of itself will not address.

Staff found that 9 of the study areas we examined have fairly uniform concentrations of R7 lots, while Eastmoreland and South Burlingame have a mix.

The second important finding is that the underlying lot lines – and the kind of development that is happening as a result – would best be addressed through code changes rather than map changes. Changing from R5 to R7 may, however, reduce the overall number of smaller lots that can be re-established and developed.

In Eastmoreland, the largest concentration of underlying lots is located east of SE 36<sup>th</sup>, where lot sizes predominantly match R5 density. The pattern of underlying lots continues eastward past 36<sup>th</sup>, well beyond the edges of the Eastmoreland neighborhood. Therefore, addressing the underlying lot issue should be based on a citywide response rather than a neighborhood-specific response.

Staff recommends:

1. Affirm July 2014 proposals for R5 to R7 changes
2. Consider options for Eastmoreland
3. Retain R5 in South Burlingame because of proximity to services and amenities

And in addition:

Address underlying lot and scale issues on a citywide basis through code changes

For Eastmoreland, staff recommends two options:

- a. Retain R5
- b. Down-designate area within existing Eastmoreland Plan District boundaries from R5 to R7\*

\* In considering a down-designation to R7 in Eastmoreland, staff found the most straightforward boundary for Eastmoreland would be the existing plan district that extends to SE 36<sup>th</sup>, taking in the row of homes that front on 36<sup>th</sup>. This is a slight modification to staff's original proposal in July 2014, which stopped at the centerline of SE 36<sup>th</sup>. The neighborhood has asked to expand the plan district boundaries, but that's not on the table with the Comp Plan update.

*Commissioner Rudd* asked about how many units we would potentially lose in Eastmoreland by down-designating.

- The original growth allocation showed that there isn't a significant difference. The increase is because of changed assumptions about ADUs. There were 2 acres of under-utilized. Capacity for 5 new units in both the proposed and new plans. That doesn't include the narrower blocks (only the R5 densities).

*Commissioner St Martin*: What happens to places already in R5 or another lot configuration?

- They become non-conforming density, which doesn't have much meaning here. Development standards for houses on R5 and R7 are primarily the same. The main capacity for development in Eastmoreland are ADUs and skinny lots. It's hard to quantify because you have to document the lots, which we can't do. The two zones won't have a big impact on how the City plans transit because it's already developed.

*Chair Baugh* asked about the lot line adjustment: does this solve some of these problems?

- It depends on the outcomes of the single-family project. It could address scale of new development if there are issues about compatibility. There could be different minimum lot size imposed. We have this project in the Mayor's recommended budget as a project we'd be undertaking.

What option will address more of the issues?

- The single-family project will look to adjust size of infill house you can build

(dimensions and proposals about how to treat the skinny lots). Getting at the truth in zoning issue is what people are interested in, which is what the project will address. It should be done in about a year, and then the project will come for hearings at the PSC.

*Chair Baugh:* A potential solution is that the PSC could request as an interim step that Council put somewhat of a moratorium on this then get to the broader issue under the lot-line adjustment. A pause on skinny house building then return with a zoning change about design.

- This is separate from what we're talking about here.
- The map changes we're talking about will go to Council in the fall, when we'll be partially done with the single-family project.

*Commissioner Shapiro* noted *Chair Baugh* is urging the PSC to approach Eastmoreland separately to move more quickly and asked why the urgency.

- *Chair Baugh:* The urgency is giving the community some temporary relief, then we'd come back with the broader zoning package.
- *Joe:* The discussion would apply citywide. It's not a moratorium, but it's a change that would pause development of skinny lots until new rules are in place. I'm not sure of the legalities of this, but it could be a possibility. The pace of development and infill would decrease for the period of time, which is not good for housing affordability (though we're not sure of the scale of the impact).
- *Deborah* noted the concentrations are citywide.

*Commissioner Tallmadge* doesn't see the urgency to put an ordinance to stop development right now.

*Chair Baugh:* The R5 to R7 zoning change is just mitigating, not solving the problem.

*Commissioner Gray* asked why this is important for the PSC to follow staff's recommendations.

- We were looking at areas farther from centers and corridors and opportunities to reduce infill pressures there, aligning zoning with lot pattern that prevails in the different areas.
- The ambiguous areas are mostly in Eastmoreland and South Burlingame.

The Comp Plan changes go through acknowledgement at the state, so the single-family project will likely be in affect prior to the Comp Plan being approved.

*Commissioner Hanson:* If we change from R5 to R7, how does that address the inherent conflicts with infill housing in Eastmoreland? Does this help to solve that?

- Development standards are the same. The number of dividable lots is the major change.

*Commissioner Rudd:* The changes that make the most sense to me are the ones that are making things more consistent. I would pull Eastmoreland and South Burlingame out and deal with them through the code.

*Commissioner Smith:* If we go from R5 to R7 in Eastmoreland, how many opportunities for skinny lot subdivisions go away?

- It's hard to quantify because we don't know how many of the underlying lots are documented that could be reestablished.
- IN terms of R5 versus R7 for minimum lot size allowed, it's 3000 sq ft if R5 and 4200 if R7.
- The concentration of historic lot lines is much greater east of 36<sup>th</sup>.

*Commissioner Rudd:* Isn't there a risk of driving more conversions with the zone change based on people being motivated to submit applications ahead of the zoning change?

- Yes, but we can't quantify this.

There is a hesitancy among some commissioners for downzoning in Eastmoreland.

*Commissioner Shapiro* moved to keep the current recommendation in Eastmoreland to retain zoning east of 36<sup>th</sup> (R5). *Commissioner Hanson* seconded.

(Y10 – Baugh, Gray, Hanson, Houck, Oxman, Rudd, Shapiro, Smith, St Martin, Tallmadge)

*Commissioner Hanson* moved to change the designation in Eastmoreland west of 36<sup>th</sup> to be downzoned including the eastside lots on 36<sup>th</sup>. *Commissioner Houck* seconded.

This would include properties w/in a quarter-mile radius of a transit center. They tend to be the largest lots. People will walk farther than a quarter mile for higher-quality transit.

(Y5 – Gray, Hanson, Houck, Oxman, Shapiro. N5 – Baugh, Rudd, Smith, St Martin, Tallmadge)

Eastmoreland Plan District will retain its current zoning of R5.

*Commissioner Smith* moved to:

- Confirm the July 2014 proposals for R5 to R7 changes for the other study areas outside of Eastmoreland.
- Retain R5 in South Burlingame because of proximity to services and amenities.

*Commissioner Hanson* seconded.

(Y10 – Baugh, Gray, Hanson, Houck, Oxman, Rudd, Shapiro, Smith, St Martin, Tallmadge)

#### *Concordia*

The request from Concordia was about the zoning of R2.5 and R5. Some residents have requested the removal of the R2.5 designation and zoning, and to down-zone the R2.5 area to R5, and the R5 area to R7, likening the situation to that of Eastmoreland. This is in response to narrow houses being built on 25-by-100 foot lots.

Concordia was mapped with the Attached Residential (R2.5) designation during the Albina Community Plan. This is a fairly typical pattern found in proximity to neighborhood commercial corridors in the inner neighborhoods. There are very few service deficiencies here.

The Proposed Comp Plan does not yet ensure a supply of affordable units to the lowest income groups, and has slightly reduced entry level homeownership options.

Down-designations from R5 to R7 in the Proposed Plan have slightly reduced the supply of more affordable small-lot single family development.

Down-designations in East Portland and Southeast Portland have also decreased the zoned capacity for duplexes, townhomes and lower density multifamily development types through a reduction of R2 zones.

Adding more R2.5 or R2 zoning near neighborhood centers could increase the supply of small-lot single family homes, duplexes, townhomes, and low density multifamily development types.

Staff is not proposing up-zoning of this type at this time, but this should be a consideration as refinement plans are developed for centers and corridors as a code solution. In the meantime, we should not be reducing the amount of R2.5 or R2 zoning in opportunity-rich locations.

*Commissioner Smith* asked if it is the actual zoning that people are having trouble with or if the R2.5 is the underlying plat zoning.

- In R2.5 it's both zoning and the underlying plats.

PSC members confirmed the staff recommendation to keep zoning of R2.5 in Concordia.

## Economic Elements

This is a follow-up to last month's EOA hearing as well as other items about the economic development policies.

### *Economic Opportunities Analysis – Cargo Forecasts*

We've taken the larger jobs forecast from Metro and allocated across the city based on employment sectors and geographies. Focused on industrial area (32,000 jobs) because we have the most challenging land supply/shortfall issues there.

The Central City has a surplus of capacity, but the Central Eastside and Lower Albina districts have a shortfall, especially for cheaper, Class B office space that account for about 50 percent of the employment growth. We expect the SE Quadrant Plan to propose the zone changes that will fill this gap.

In the Industrial areas, overall there is a slight 100 acre surplus, but there is a small 38 acre shortfall in the Harbor Access Lands that we need to be proactive to help meet.

The Commercial areas have a surplus of capacity.

Institutions have strong demand but current master plans and zoning accounts for only 80 percent of the demand. We are working on a zoning code proposal that will provide the needed development capacity.

Components of Land Need:

1. 32,000 jobs
2. Traded Sector Facilities
  - Marine Terminal Commodity Forecast
    - Volume: Medium or Low
    - Facility (3 different types): Compact, Modern, Rail Loop

Eric noted that the numbers we're taking about today have already taken West Hayden Island "off the ledger". That policy discussion will happen later today.

Tom walked through the steps to creating the estimated land needs for terminals (slide 6).

What's telling is that examples of reinvestment in the harbor have been about reinvesting in current facilities / intensification, not building new sites.

We look at commodity totals but also across the rows to see what capacity is there, where we'll be short for which specific commodity if we go with the medium forecast. There are lots of sunk costs in existing facilities that make it difficult to change commodity types. These are also private companies, so the City doesn't have much influence on changing their facilities.

*Commissioner Smith* asked about the rail loop. In the Pembina discussion, they talked about off-loading via splitting the train onto two spurs.

- Not all new facilities will have rail loops. That is the most efficient option, but it's also the most land-intensive.

We are now looking at the different site need assumptions to fill in the gaps.

For the marine terminal demand, anything more than 48 acres pushes us to look more fully into a Goal 9 exception.

*Commissioner Houck* recalled that all the conversations regarding WHI were predicated on the rail loop and the CRC.

- There was discussion of both. The loop was considered a baseline need. The CRC was not a critical component from the Port's consideration, but the CRC came up in the traffic analysis and neighborhood impact considerations.

*Commissioner Houck* asked if it is feasible to have the loop without having the CRC.

- The loop doesn't use or require the CRC. There aren't any sites other than WHI that would fit a loop.

*Commissioner Shapiro* asked about the projections and numbers.

- Numbers are constantly changing. There is a new Lower Columbia Commodity Forecast being developed now. The economy is constantly changing, which is one of the reasons we continually revisit these as we go through different business cycles to make mid-course corrections. In terms of market demand versus picking a forecast, there are so many other factors that are making decisions.

*Commissioner Oxman* asked about the Marine Terminal Land Need for Medium Cargo Forecast (slide 9).

- With all the options, we were asked about what the heavy lift is to make it happen. For example, looking at the compact versus modern facility for automobiles, structured parking is much more expensive.

The overall tonnage going through facilities has increased over time, but individual commodities have changed and varied; grain is growing on the higher end, autos on the lower end. The PSC has a choice between the low forecast with a modern facility (how staff wrote the current version of the EOA) and the medium forecast (where we'd need to show that more compact facilities are feasible). We'd need a subsidy or some other investment to make the medium forecast with compact facilities work.

Options:

1. Low cargo volume forecast with modern facility - 38 acre harbor access land shortfall.
2. Medium with compact facility - 48 acres.
3. Medium with rail look - 268 acres.

*Chair Baugh*: Staff is recommending either option 1 or 2. To make the medium forecast, we'd have to make public investments to make sites more compatible and marketable to customers.

- Yes, and the investments from options 1 to 2 to 3 build on each other.

*Commissioner Houck* noted that when he uses the term "break a sweat", it's in reference to when we were talking about UGB expansion at Metro during the 2040 Growth Management Process, we needed to show that we can more efficiently utilize the land within the UGB for residential and commercial development before going to "green field" sites. The same should hold true for industrial lands and Options 1 and 2 move us in that direction.

*Commissioner Tallmadge* asked about rate of investment between options 1 and 2.

- We'd need the \$100M for brownfields plus additional funding for the marine facilities to achieve the compact land need.

*Commissioner Tallmadge*: If we were to pick the low forecast, would it be feasible for the private market to subdivide lots, be more efficient on their own?

- Option 1 doesn't change the map or code. It reflects the constrained capacity we have.



The response to go beyond the low forecast is all about the market making reinvestments with City assistance in terms of how we may be able to do so.

- The existing map is within 50 acres of either option 1 or 2. Option 3 would be a mapping difference.

*Commissioner Rudd:* If we went with option 2, would staff return with ways we could add to the TSP or policies to make this more feasible?

- Yes.

*Commissioner Houck* noted that this reflects what we're up against in terms of how much land is available. It's not "sending a message" or saying Portland isn't open for business. The reality is we have a lack of land; it's saying this is what's available. As for the 10 acre difference between options 1 and 2, can the City justify or document the rationale of getting to the medium forecast?

*Commissioner Rudd* believes it does send a message when we don't reflect the existing growth trends and somehow accommodate it. Since we're land-constrained, we need to make investments to do the hard work to make the compact development work if the modern option won't work. The UGB is a good thing but we didn't make the needed investments and now we have an affordable housing issue.

*Commissioner Tallmadge* asked if we picked the medium forecast, does that put pressure on development of housing?

- It is only on land for industrial use, so no.

*Commissioner Baugh:* For the issue of the medium forecast, we can still justify this relative to Goal 9.

- Yes, for either option 1 or 2.

*Commissioner Gray* noted the industrial land capacity chart (slide 11). Is this where you're pretty well landing in the strategy?

- Yes, all these numbers are assumed, so we're still the 38 or 48 acres short for the low or medium forecast, respectively. Without those acres included, we'd then have to look at other lands.

*Commissioner St Martin* noted that a forecast is just a forecast. What's the reservation we're willing to make? We're taking about a 20 year time span. With efficiencies and new technologies, I'm guessing we'll see efficiencies in how we move freight for the industry to cut costs.

The March 2015 EOA version is based on Option 1. If the PSC wants to go to Option 2, staff will have to rewrite for the PSC to review in June/July to recommend with the Comp Plan package.

Jobs growth and numbers stay the same in either case with approximately 1900 new jobs in the harbor. The numbers just relate to the amount of cargo flowing through. There will be fewer marine terminal jobs balanced with more other industrial facility jobs if we go to Option 2.

If we were to make investments to Option 2, what's the return to the community?

- It's about the flow of money (e.g. via tax revenue), not an increase of jobs.

*Chair Baugh:* The rate of return will have to be higher if we invest in Option 2 to make it viable.

If you look at the commodity type, the low forecast is just autos. The medium forecast adds facilities for grain and dry bulk. The medium forecast includes more commodities from Eastern

Oregon, so it's likely we won't see much job growth.

*Commissioner Oxman* noted we're within the margin of error in terms of the amount of land needed. Today's discussion makes me more comfortable with the low forecast.

- A majority of other commissioners confirmed this.
- *Commissioner Rudd* prefers the medium forecast.

*Commissioner St Martin*: The message is we believe industry can innovate and take less land.

- *Chair Baugh*: But we're not putting the policy to push industry to do this, and we're not putting public equity to help private industry grow more efficiently. We're saying they're on their own.

*Commissioner Hanson* commented on innovation. Option 2 is a tougher test than Option 1. I am with Option 1, but I don't want to restrict growth. Prompting efficiency is what's important.

PSC members confirmed the low cargo forecast as is explained in the March 2015 EOA.

Given the decisions we made, we are not foreseeing a need to seek a Goal 9 exception at this point.

#### *West Hayden Island policy*

The proposal is for a map designation as Rural Farm/Forest. Policy 6.41 provides guidance for future annexation. WHI is not included in the Buildable Lands Inventory (BLI) because we don't think that land will be ready by 2035.

PSC members had previously asked staff to come up with different policy options; these are outlined in the memo:

1. Retain the Farm/Forest map designation, and DELETE draft Policy 6.41.
2. Retain the Farm/Forest map designation, and amend the policy to add more about community impacts.
3. Retain the Farm/Forest map designation, and amend policy to delete bullets that reference 300/500 acre split.
4. Change the map to designate WHI as open space and delete the policy.

*Commissioner Houck* recommends we take it off the table altogether and remain silent on WHI. We have demonstrated we don't need WHI for the economic forecast consideration. Take all reference out of the Comp Plan.

*Commissioner Oxman* asked about number 4. Is this the most likely to provoke a Metro reaction?

- Yes, this is in the most conflict with Metro.

*Commissioner Smith* asked about a hybrid option. I'd like full protection of WHI. If we want to move in that direction, can we use Option 1 and include that Council should take up with Metro a change in the function plan to reflect WHI as a natural resource?

*Commissioner Tallmadge* asked about differentiating Farm/Forest from Open Space.

- Current county designation is closest to Farm/Forest (maintain current). Open Space is a much stronger protection against development.

*Commissioner St Martin*: If we leave it as Farm/Forest then need it later for economic reasons, it would go through another vetting process?

- For any option, that process has to take place. We have the previous (current) policy; do we want to encapsulate this in an explicit way in the updated Comp Plan?

*Commissioner Hanson* looked at Option 2. This bookmarks what we did in the WHI process. I lean to this one. *Commissioner Shapiro* agrees. Whatever we do, I would be comfortable with staff's recommendation instead of a more specific proposal so we don't tangle with Metro.

*Commissioner Houck* noted that a concern about removing the policy is that it removes what we did and worked on. We can still direct Council to work with Metro; it doesn't preclude that. Option 2 goes to the balanced approach.

*Commissioner Gray* likes being able to return to this plan regularly to meet our obligations to people. I support Option 2 because of all the conversation we had regarding community and impacts to people.

*Chair Baugh* is in favor of Option 1. Let's just delete the whole thing. We need to go to Metro one way or the other. It's appropriate to use WHI as the forum to ask Council to do this in an informative way to work to some sort of solution.

*Commissioner Houck*: What are we asking of Metro specifically? That they made a mistake? I don't see that happening.

The memo notes that WHI comes out in the Metro function plan in two areas:

- Title 4: as a future industrial area.
- Title 13: also an important natural resources area.

Metro said it's important for both, and the City and Port should do a plan to figure out the balance. Metro is expecting an area plan that shows the balance. The last time we tried, that was the 300/500 split, which didn't work. Metro is not inclined to mandate anything specific; they would much rather our telling them so they can either agree or ask us to fix a specific part.

*Commissioner Smith* noted if Policy 6.41 stays in, we should add the human health bullet to it. We need to ask the meta-question to Metro: There are uses that don't intensify, so at some point we stop meeting growth in all categories, and what do you expect us to do about that?

*Commissioner Rudd* suggested that before any version of option 4 go forward, staff ask the City Attorney whether changing WHI to Open Space would be a regulatory taking.

Joe: Of the choices, the one I think most accurately reflects the PSC work and feedback from City Council is Option 1. This can't be confused with a direction to go back and do something with WHI, and it seems most consistent that we don't think a facility there will be within the timeline for this plan.

*Commissioner Hanson* moved to accept Option 1. *Commissioner Shapiro* seconded.

*Commissioner Tallmadge* confirmed the current map designation does not show any division on the 300/500 split.

Joe: The difference between the future PSC and today's is that they will be making a decision on the new Comp Plan, which we're including health, environmental justice, etc. So those objectives will be in the future consideration.

*Commissioner Houck*: I want to be certain that there is no reference to Metro's Functional Plan if we are going to remove Policy 6.41.

(Y9 – Baugh, Hanson, Houck, Oxman, Rudd, Shapiro, Smith, St Martin, Tallmadge. A1 – Gray)

### *Industrial Land Retention Policy*

Discussion of Policy 6.38: When you balance the policies and have a decision to adopt a regulation or change a map, we may see a conflict. This is a prompt to address and acknowledge the impacts and what we do to limit it. The PSC has to make a choice. The policy creates an acknowledgement to get to the outcome in front of you.

*Commissioner Houck*: This relates to industrial land retention. The concern I have is the way this reads. There will be a huge push to do away with environmental regulations in industrial lands, and that's my concern with this.

*Commissioner Rudd* still has concerns with the verbs. Protect, prohibit, and limit are different levels, so I'm interested in seeing the updated verbs in the glossary and expanded discussion of balancing.

- There is a map in Chapter 6 that shows prime industrial lands.

If you look at something like the proposed R2D2 land in the CEI industrial area, how is that zoned to protect industrial uses? CEI is not included in this area. Staff believes the R2D2 land is right of way and the use is allowed as a service use.

*Commissioner Houck* asked about Policy 6.38e: Has PP&R weighed in on this one in terms of trail connectivity?

- This policy comes from Metro Title 4. Metro carves out trails as transportation facilities, not parks.

*Commissioner Tallmadge*: In 6.38d, the language seems a bit weaker than the others. "Strive to off-set..." Why not just off-set?

- This acknowledges we won't be able to off-set everything every time.

*Chair Baugh* notes this policy prompts people to look at the balancing of policies to determine the balance relative to need.

- Yes, for future proposals and considerations.

### *PSC members confirmed staff direction for Policy 6.38.*

#### *East Columbia Neighborhood Association Map Change*

This is a follow-up to testimony we heard about properties at the interface of the East Columbia neighborhood. Under the current Comp Plan, these properties are zoned RF with a Comp Plan designation of Industrial Sanctuary. The designation pre-dates the 1980 Comp Plan. There are houses on the sites currently.

We haven't proposed changing the zoning because a zoning change to industrial would have to take into account traffic through the neighborhood. Changing industrial to residential designation brings the residences closer to the industrial area and the noise and other impacts of that. So we want to keep those conflicts up to a future zone change process to resolve this.

*Commissioner Houck*: Is there any e-zoning here?

- Yes, the dark green is the p-zone, and the light green is the c-zone along the corridor (slide 16).

### *PSC members confirmed staff's recommendation of no change for the East Columbia request.*

#### *Accuracy of Employment Forecasts*

Timing of forecasts is important. In 2000 was at the top of a business cycle, but then 2008 was during the recession. Generally Metro forecasts for population are closer than those forecasts for employment, which is why we need to review these more frequently than every 20 years.

The EOA gives us a foundation to track performance through the business cycles.

*Commissioner Shapiro* commented on the need to be nimble. In the future we need to pay attention to flexibility as best we can.

#### *Employment to Open Space Map*

We're looking at public agency acquisitions and truing-up the zoning with those. Thomas Cully Park is a good example. There is not a lot of real potential without a lot of mitigation for many of the 900 acres.

*Commissioner Houck*: Neither the City nor Metro is buying prime industrial land. Their acquisitions focus on natural resource lands like wetlands, stream corridors and habitat, not upland industrial land.

*Commissioner Rudd*: I understand some of the industrial land is within parks, making it not accessible for industry. Are there places we are proposing rezoning where we think we'd push back if the acquisition were happening today?

- There are some 1-2 acre slivers that would be available. But the question becomes if we need that for the park space or if we can partition it off to make it useable for employment. Other than Thomas Cully Park, there weren't good opportunities we saw in these lands.

#### *Institutional Zones Project update*

This is how we're capturing the extra capacity for campus and hospital facilities. The plan is now available for the public, a discussion draft will be out this summer, and the project will come before the PSC this fall.

In short, we are proposing to allow campuses to grow on their existing boundaries, but it will take a Comp Plan change if they want to grow outward. Within the zoning code, we are taking some of the multi-family zones, particularly on the edges of campuses, to implement the same notification process to incorporate into the base zones.

#### **Consent Lists**

The two lists of policy and map considerations should be the last of the staff recommendations based on reading all the testimony we received.

PSC members should flag items you'd like to talk about. We have time on the May 26 agenda to continue this discussion. And then when PSC members get the strike-through version of the plan, commissioners can note items they'd like to discuss.

So far, staff has received the following:

- *Commissioner Rudd* has flagged policies in Chapter 5 that we'll discuss on May 26.
- *Commissioner Houck's* question was about Policy 6.38, which we discussed today.
- *Commissioner Oxman* asked about Policy 9.6, and PBOT staff is working on a response for that.
- *Commissioner Baugh* asked about Policy 7.32.

Please send your questions to Julie by May 15 so we can prepare the list for discussion at the May 26 meeting.

Staff has worked with the anti-displacement coalition group and will send them back a draft of how we're addressing their specific issues. PSC members will see these changes in the updated draft. We have addressed many of their policy issues and are still continuing to work with the group. Joe noted we may be able to bring something back to the PSC on May 26.

Affordability of housing is an issue across the city. One side is looking at ways to extract value to spend on community benefits. What we've learned from other cities is that the cost of housing is going up because demand exceeds supply. There is a balance point. It's not just a one-sided issue. The pot is not bottomless, and it will effect development. There are several points of view about how to build affordable housing and prevent displacement.

*Commissioner Houck* asked if there is someone representing the other side. We need to hear that along with the anti-displacement group. We need the complete context.

*Commissioner Tallmadge* asked about what's currently in the Comp Plan related to anti-displacement strategies and the memo that staff is working on back to the group. What is appropriate to have included in the Comp Plan and not? That was a question we've heard before.

- We are working with the City Attorney and the group later this week to specifically talk about this question. We'll be in a better position to report out about this next month.

*Chair Baugh* confirmed we do need a very complete picture about the implications of the proposed policies: costs, market realities of supply and demand, etc. This will help us make a better-informed recommendation.

#### **Next Steps**

On May 26, we will wrap up the consent discussions and, tie up loose ends staff has committed to discussing. There will be a few additional memos prior to this session. Staff will also provide a reminder about how we'll run the amendment process at this meeting. And commissioners will have a chance to orally state their disclosures of groups or individual stakeholders they've met with regarding the Comp Plan for the benefit of public transparency (who, what, when).

We expect to publish the draft recommended draft on/about June 1.

On June 9 and 23, PSC members will have seen the updated draft and current status of the map. We will discuss any further amendments from commissioners over the span of two sessions. Also on June 23 is the Scenario Report hearing, a copy of which PSC members will receive early next week.

On July 14, we expect the PSC will vote and recommend the Comp Plan draft to Council. This final will include the map, policy document, CSP, TSP project list, the EOA and Scenario Report.

#### **Adjourn**

*Chair Baugh* adjourned the meeting 4:04 p.m.

Submitted by Julie Ocken