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Portland Planning and Sustainability Commission
Extension Project Testimony
1900 SW 4th Avenue, Suite 7100
Portland, OR 97201

Dear Planning and Sustainability Commissioners,

Oregon Smart Growth (OSG) appreciates the City's efforts to address the COVID-19 crisis, particularly the impacts on construction, permitting and land use decision timelines and costs. The widespread economic impacts of COVID-19 can be mitigated or exacerbated by actions taken at the local level, and we appreciate the City's quick and nimble response to mitigate the harms.

The Expiration Date Extension Project is a great example of that mitigation and OSG supports the Proposed Draft. When approved, these extensions will provide a crucial buffer to applicants impacted by the COVID-19 crisis, as well as a path for approved projects to be part of our city's economic recovery.

In particular, we strongly support:

- The flexibility to hold required neighborhood contact meetings virtually, using video and phone
- The extension of the Inclusionary Housing rates to January 1, 2024
- The extension of expiration dates of land use reviews and preliminary plans to January 1, 2024
- The one-year extension of pre-application conferences
- The 365-day extension of final plat applications

However, we urge the Planning and Sustainability Commission to take a closer look at a few key issues, to ensure the goals of this COVID-19 response—to mitigate the economic impacts of the COVID-19 pandemic on the development market, and position Portland to have the strongest possible recovery—are fully realized.

Specifically, we urge the Planning and Sustainability Commission to make the following revisions:

- **Extend the virtual neighborhood contact meeting horizon now, at least until January 1, 2022, and preferably to January 1, 2024 to match the other extension horizons.**
 - The proposed draft extends the option for virtual neighborhood contact meetings through January 1, 2021, but it is highly likely social distancing measures will be in place beyond that. Given the length of time it takes to draft, review, and adopt an extension—this current effort may be finalized in July, nearly four months after the City's pandemic response began in March—this is an issue that would need to be revisited again as soon as September. We are unlikely to have a vaccine or treatment in place this fall, and as a result an extension would almost certainly be needed; it would be more efficient to do that now.
- **Extend the "Option 2" Nonconforming Development Upgrade compliance period to January 1, 2024**
 - Projects that elected to fulfill required nonconforming development upgrades on a portion of their site over time—known as "Option 2" under PCC 33.258.070.D.2.b—have a compliance period recorded in a covenant. Some of those required upgrades must first seek an adjustment before they can be implemented. COVID-19 has impacted projects like this—adjustments can take longer, construction site safety requirements extend project timelines, and capitol

may be impacted. Extending the compliance period for “Option 2” Nonconforming Development Upgrades to January 1, 2024 would resolve this issue.

- **Urge the Portland Housing Bureau to start fully scoping the Inclusionary Housing market study by Q3 2020.**
 - While this is not a suggestion related to the proposed code in front of you, it’s closely related to the extension of the Inclusionary Housing rates. The IH market study is a project that was originally funded in July 2019, but has not yet gotten off the ground. PSC weighed in last August to urge stakeholder participation in creating an adequate scope for the study; unfortunately, scoping and procurement has since been delayed. Recently, the funding for this study was diverted to provide emergency short-term rental relief as part of the coronavirus response, but the City anticipates refunding those dollars with federal COVID-19 relief funding. While we appreciate the extension of the lower Inclusion Housing rates, a full examination of the program and rates is critical to ensure the program is calibrated to increase its effectiveness—with the goal of producing more market rate housing, and therefore more inclusionary housing units. OSG urges PSC to weigh in again, in support of moving forward with the study without delay.
- **Last, we suggest that the capture period for extending approvals be expanded, potentially by moving the earliest approval date back by another year.**
 - This adjustment would capture a small set of projects where approvals expired pre-COVID for reasons unrelated to the pandemic, but it is an important adjustment for the City to consider. As we anticipate a long road to full recovery, keeping more potentially viable projects in the pipeline maximizes the housing and employment opportunities in Portland during this time of coronavirus response and recovery. These are good projects that gained approval, that are unlikely to move forward if land use processes need to be re-initiated, adding expense and risk at a time when there’s already significant uncertainty.

Thank you for the opportunity to share our support for the Expiration Date Extension Project Proposed Draft and suggested improvements, as we seek to work collaboratively toward recovery for all of Portland.

Sincerely,



Gwenn A. Baldwin
Executive Director