

Portland Planning and Sustainability Commission

June 22, 2021

5:00 p.m.

Meeting Minutes

PSC Commissioners Present: Jeff Bachrach, Ben Bortolazzo, Jessica Gittemeier, Katie Larsell, Oriana Magnera (left at 6:50 p.m.), Steph Routh, Gabe Sheoships, Eli Spevak, Erica Thompson

PSC Commissioners Absent: Johnell Bell, Valeria McWilliams

City Staff Presenting: Andrea Durbin, Mindy Brooks, Daniel Soebbing, Sallie Edmunds, Joe Zehnder, Tom Armstrong

Guests Presenting: Mike Wilkerson, Sarah Zahn, Jessica Woodruff

Documents and Presentations for today's meeting

Chair Spevak called the meeting to order at 5:01 p.m.

Chair Spevak: In keeping with the Oregon Public Meetings law, Statutory land use hearing requirements, and Title 33 of the Portland City Code, the Portland Planning and Sustainability Commission is holding this meeting virtually.

- All members of the PSC are attending remotely, and the City has made several avenues available for the public to watch the broadcast of this meeting.
- The PSC is taking these steps as a result of the COVID-19 pandemic and the need to limit in-person contact and promote social distancing. The pandemic is an emergency that threatens the public health, safety and welfare which requires us to meet remotely by electronic communications.
- Thank you all for your patience, humor, flexibility and understanding as we manage through this difficult situation to do the City's business.

Director's Report

Andrea Durbin

- DOZA is at Council tomorrow and adoption on June 30 with it being effective on August 1.
- Also next week on June 30, Unite Oregon is hosting a community summit to share feedback from consulting work with the community about needs and priorities. In July, our East Portland team will come to the PSC to share information about our work and the summit outcomes.

Consent Agenda

- Consideration of Minutes from the June 8, 2021 PSC meeting.

Commissioner Bortolazzo moved the Consent Agenda. *Commissioner Routh* seconded.

(Y9 – Bachrach, Bortolazzo, Gittemeier, Larsell, Magnera, Routh, Sheoships, Spevak, Thompson)

Ezones Map Correction Project

Briefing: Mindy Brooks, Sallie Edmunds, Daniel Soebbing

Presentation

The first meeting with PSC was a year ago in June 2020 and we have many new PSC members who are not as familiar with the project, so in this briefing we will:

- Remind everyone about the scope and goals of the project and then review the state, regional and local regulatory context for the project.
- After those reminders, Daniel will review the existing City protection policies for streams, forests and uplands.
- We will also remind everyone about the Site Visit Table for property owners to review the results of site visits.

Of note, we are adding another hearing on August 24 for the public to provide input on the project.

Mindy provided an overview of the project. The purpose of the Ezone Project is to correct the location of the environmental overlay zones to better align with the location of existing streams, wetlands, flood area, tree canopy, steep slopes and wildlife habitat. We are doing the project because the underlying data about where the resources are located is 20-30 years out of date resulting in zones that don't always protect the resources as they were intended. We are updating the feature mapping, then aligning the Ezone boundaries to match.

The project is being done in the context of state, regional and local rules that address natural resources. On the screen is a very simplified land use structure for natural resources in Oregon. There are other state goals and Metro titles and federal rules that we also have to comply with, but these are the main ones that relate to the Ezone Project.

We will talk about the specifics in the next slides, but on the whole the City's Environmental Program (on the right in the darkest blue), including the Ezones and associated codes, has to comply with Metro's Title 13 Nature in Neighborhoods and the City's Comprehensive Plan. By complying with Title 13 and the Comp Plan, Portland also complies with Oregon State Land Use Planning Goal 5 for Natural Resources.

Right now, we are in compliance with Metro Title 13 and State Goal 5. The Ezone Project is amending that compliance.

But we are not fully in compliance with the newly adopted Comp Plan. The Comp Plan directs us to keep our zoning codes and maps up to date, which is the purpose of the Ezone Project.

Starting at the state level. In the 1960's Oregonians began to see the spread of urban development and the impact sprawl was having on agricultural lands, forests, streams and small towns. In response to these concerns Governor Tom McCall enacted statewide land use legislation.

In 1973 the Oregon state land use goals and associated rules were adopted. Those require all cities and counties to adopt a Comprehensive Plan with zoning and ordinances to enact the plan. The Comprehensive Plan and enacting ordinances must be consistent with the land use goals.

The City's existing Environmental Program, which was adopted between 1989 and 2002, was established to comply with Goal 5. The Environmental Program was adopted by area plans, which are listed and shown in the graphic on the slide.

Each of the plans contains the following information as required by Goal 5:

1. Inventory of natural resources – where the streams, wetlands, flood area, tree canopy and wildlife habitat is located.
2. We evaluated options to protect the inventoried resources and balanced those with other goals for housing, jobs, etc.
3. City Council adopted the program including Ezones and associated code.

It took us about 15 years to complete Goal 5 compliance and apply Ezones to natural resources throughout the whole city. The plans and Ezones are still in effect today and most have not been updated since the original adoption, so most are 20-30 years old.

Until 2005 for natural resources, Portland had to comply with our Comp Plan and with state land use Goal 5. By 2002 we were in full compliance. Then, in 2005, Metro adopted Title 13 of the Urban Growth Management Functional Plan. Metro followed the Goal 5 rules – they completed a regional inventory of natural resources, evaluated options for protection balanced with goals for housing and jobs, and created a model ordinance for protecting resources.

This Ezone Map Correction Project is amending our environmental program while remaining in compliance.

As part of our compliance package, Metro approved of the citywide Natural Resource Inventory, or NRI, including the natural resource feature definitions and mapping methodologies. In 2012, City Council also adopted the NRI as factual basis for the Comprehensive Plan update. Jumping forward, in 2018, City Council adopted the new 2035 Comprehensive Plan.

Overall, we are doing pretty well at protecting the resources. 14,027 acres, 83%, of inventoried resources are in an Ezone. But almost 3,000 acres of existing resources are not protected. 8% of all existing streams are outside of an Ezone, like the example on the screen. 12% of all existing wetlands are outside of an Ezone. Why does that matter? Because streams and wetlands store and move the water – when streams and wetland are impacted by new development, there are consequences - the water has to go some where and it can cause flooding and damage to other properties.

Also, there are roughly 8,000 properties that have Ezones today but there is no resources on their site. There is no reason for the Ezone to be there. This is what we are trying to fix with the Ezone Project – making sure the Ezones align with the features they are supposed to protect.

To recap. The City's Comprehensive Plan directs us to keep our environmental program up to date. As we do that, we have to stay in compliance with Title 13 and Goal 5. That summarizes the overarching general purpose and regulatory context for the Ezone Map Correction Project.

Commissioner Thompson: What are we protecting natural resources from? Development? Other forms of degradation?

- Mindy: The ezones protect resources from additional development and exterior improvements (e.g. changes to the ground). Pollution is not included in the environmental zoning code, except that hazardous materials cannot be stored in ezones.

Daniel provided background on the existing protection policies. In 2005, streams were defined and mapped by Metro, and Metro's Title 13 requires protection of streams and stream riparian areas. Portland's NRI definition and mapping protocols for streams were approved by Metro. The definition of a stream is an open channel with a defined bed and bank that has flow during, at least, the rainy season. This includes streams that flow year-round and streams that flow in the winter but dry up in the summer.

Please note that the condition of the stream, such as if it has been impacted by development or if it is piped for some distance, is not part of the definition. If the open channel has moving water for weeks or months, or more, then it is a stream.

In 2012, when we adopted the Citywide Natural Resources Inventory, we used the most current technology to update the regional map of where streams are located in Portland. We used a combination of LiDAR, which is high-resolution mapping of the earth's surface, GIS modeling to predict drainage basins and flow, and BES's stormwater infrastructure maps to update Metro's regional inventory of streams.

Metro allows the use of remote data like LiDAR to keep the stream map up to date. While Metro does not require on-site verification, with the Ezone Project, we decided to ground-truth the information as much as possible. When on site, staff are looking for flow in the stream or evidence of flow, such as scouring that removes vegetation and debris in the bottom of the channel. Sometimes staff need to make a few visits to the same channel to confirm it meets the definition of a stream.

We've completed roughly 600 site visits since the start of the project

it's not just the stream itself that matters when the intent is to make sure that streams are protected for hydrology and water quality. What is happening around the stream matters too.

It's not just the stream itself that matters when the intent is to make sure that streams are protected for hydrology and water quality. What is happening around the stream matters too. The area around a stream is called the riparian area. The condition of the riparian area can have a positive or negative impact on the stream. A forest around a stream is capturing rainwater, removing pollutants and shading and cooling the stream. A parking lot next to a stream is adding runoff when it rains, adding pollutants from cars, and warming up the water in the stream. So to make sure streams can function, the riparian area must be considered too.

Based on scientific evidence documented by Metro, the minimum area of influence is 50 feet on both sides of the stream. Everything happening within 50 feet of a stream has a direct impact on the stream itself. However, impacts can also occur further from the stream depending on the conditions.

Metro set the minimum area of protection at 50 feet on each side of a stream, even if that 50 feet is impacted by yards, houses, streets, etc. That area is critical to the stream functioning for hydrology, water quality and instream habitat. Additional impacts in this area should not be allowed without mitigation. Metro also said, that if there is tree canopy within the riparian area, that tree canopy needs to be protected because it has a significant positive impact on in-stream functions. The tree canopy could be 100-780 feet away from streams and still have a significant impact on water quality and habitat based on the scientific evidence Metro documented in the regional inventory.

In the citywide NRI we map forests and woodlands, as well as other upland habitat like the top of Powell Butte.

A forest is a ½ acre or larger patch of trees with at least 60% closed canopy.

A woodland is a ½ acre or larger patch of trees forming 20-60% closed canopy.

Vegetation is mapped using remote data – primarily aerial photography like you see in these examples. Vegetation mapping was updated in the 2012 NRI using remote data and, like streams, remote data is sufficient for meeting Title 13. But through the Ezone Project, we are trying to ground truth the edge of forest or woodland tree canopy as much as possible.

Because the mapping is based on the canopy of trees, it doesn't matter what is under the canopy. The forest patch may cover decks, parts of houses, driveways or parking lots. There may be blackberries or ivy or landscaped yards. But the science says that the trees themselves are the workhorses: capturing rainwater, slowing overland flow of rainwater, removing pollutants, shading and cooling the air and water and providing habitat. A native understory would be better, but it is the trees that are being prioritized.

Existing policies related to tree canopy and uplands:

- The primary existing policy is to apply protections to forests that are contiguous to and more than 50 feet from streams. Those forests may extend out hundreds of feet, but the science says that those forests are still having a direct impact on the in-stream hydrology and water quality. This policy is approved by Metro as complying with Title 13.
- We also do protect some woodlands and upland areas. In the existing area-specific resource protection plans there are policies that applied Ezones to upland areas, like the tree canopy that lines Terwilliger Blvd or the forests on Mt Tabor or the steep slopes of the Grotto. Because this is a correction project, we have proposed to retain those existing policies and to just adjust the boundaries of the Ezones to align with the tree canopy or upland habitat.

Goal 5 and Title 13 do not require on-site verification. However, we feel it is important to verify the features as much as possible by having boots on the ground. Staff have performed roughly 600 site visits since the start of the project and there are another 200+ wetland determinations that have been completed by consultants, the results of which will be used to update the inventory next month. On May 5, we posted a table and associated maps that included information for all site visits conducted since June 2020, and all testimony that was received on the project.

The purpose of the table and maps is to provide an easier way for the public and for the PSC to review the Ezone Project proposal and results for each property. We sent a link to the table and maps to PSC, posted a news blog to our website and sent an enews to the project email list, which includes all people who have testified. The table is on our project website on the documents page, listed under the Planning and Sustainability Commission materials.

Daniel shared a portion of the table (slide 22).

Site visit and testimony summary: Since the release of the Proposed Draft in June 2020, roughly 300 site visits have been completed. Property owners could request a site visit whether or not they provided testimony. 181 property owners received a site visit who did not testify in June or February. 106 property owners testified and also requested a site visit. Of those, 3 have said they still disagree with

how the city is mapping the streams or forests on their property. Another 63 people aren't objecting the stream or forest definition or mapping, but they are objecting to environmental overlay zones being placed or expanded on to their property. 125 people testified and, while everyone who testified was offered a site visit, this group of people did not accept the offer. Of those, 80 people have continued to object to applying or expanding Ezones on their property. We will keep the table up to date as we continue through PSC – adding new site visits we complete and new testimony as it comes in. If there are any properties or pieces of testimony the PSC would like us to address specifically, please let us know and we can bring those to you in July or after the next hearing.

Next month we will be coming back to discuss wetlands. We will be reviewing the results of the Wetland Inventory Project and Bureau of Environmental Services will be here to answer questions. Then we will discuss the staff proposed wetland policy. This is a new policy that we introduced back in January. The policy is modeled after streams. If you approve the proposed policy, it will be applied to the updated wetland mapping. We will send a memo in mid-July with additional information.

In addition to the July 27 briefing, we are adding a public hearing on August 24. We heard from you and the public that because there have been so many site visits and wetland determinations, it would be appropriate to allow everyone another opportunity to testify on the Ezone corrections. We will send notice prior to the hearing. We do need to wrap up site visit work. If property owner would still like a site visit, they need to make that request before August 25. They can request a site visit through the Ezone Map App online, or they can email project staff. On September 10, we plan to have all site visits completed and we will close the record. There will be a work session and potentially a final vote on Sept 28.

Chair Spevak: Will the public be weighing in on the original draft or as amended?

- Mindy: This is up to the PSC. So far, we've been incorporating your preliminary votes as we've gone along – site visits, discussions, etc. Our thought is that we bring a full package that reflects all the work from the past year in addition to the wetland work. So the August 24 hearing will be on the [as amended] complete package, but we can do it however it works best for the PSC.

Commissioner Sheoships: A 50' stream buffer still seems conservative. Have you researched or reached out to other groups? 100' is often more acceptable for extra consideration of free-flowing streams.

- Mindy: 50' is a bare minimum. With this project, we scoped it as a correction project, and existing policies are 50' minimum. But when there is tree canopy, it is 50' and the contiguous tree canopy, often out to 200' or more. Staff aren't changing City policy in this project.

Commissioner Larsell: We are reopening testimony including written testimony, correct?

- Mindy: Yes. We ask written testimony to stay open through September 10 so if we do more site visits, people can share testimony. Right now the record closed, since the February hearing, so we will reopen it.

Commissioner Thompson: Understanding the scope was to correct, based on the wealth of data you've collected, is broader information on the health of our natural resources be gleaned? Or is this out of the scope?

- Mindy: Staff are available to meet with PSC members to dig into the details! Behind all the mapping, there are 12 documents that cover subareas of the city, and each has lots of detail about the features, functions, conditions, etc. These reports not only form the underlying basis for the Ezone Project but are available to inform other projects and efforts.

Commissioner Magnera: Thank you for all the context from staff today and all the outreach work you've done. I want to understand what mitigation may happen for people who are objecting, and who is being impacted, and who is objecting? Can we understand the human narrative more?

- *Mindy:* We do a general risk analysis for areas of the city where there are more vulnerable populations. The data doesn't get down to individual properties or demographics. Most the project impact is in the West Hills. We have the lowest vulnerability risk indices there. But we've done additional outreach to Powellhurst-Gilbert, Lents and Johnson Creek areas, where there is more vulnerability – to flooding and to additional regulation.
- *Daniel:* There is another level of analysis on individual sites that are highly constrained. There are two types of ezone – conservation zone, which is buildable, and protection zone, which is largely undevelopable. When the GIS models produce a protection zone that covers more than 70% of the site we look at each site and determine if it can be developed. The GIS model produced zoning makes it likely the site cannot develop, then we change a portion of the protection zone to a conservation zone to ensure reasonable development can still occur.

Andrea: I want to really appreciate the work Mindy and Daniel have done through all this. Thank you!

Housing Panel

Briefing: Mike Wilkerson, Sarah Zahn, Jessica Woodruff; PSC members

Presentation

Commissioner Spevak introduced the topic and that this is a new opportunity for the PSC. I appreciate the PSC members who worked to put this panel and discussion together. *Commissioner Bachrach* will be leading and moderating this discussion tonight.

Commissioner Bachrach: One of our panelists, Sam Rodriguez, has a family emergency and won't be able to join us tonight unfortunately.

Lack of housing activity, lower permit activity in Portland. Are there things we might want to think about as the PSC in response to this? In a moment, Mike Wilkerson from ECO Northwest will walk us through the problem, data, slides, and what we should be aware about. We'll then think about what we may be able to offer to undo some of the problems we see coming. We'll then open it up to questions about the data, followed by panelist introductions and discussion.

Mike walked through the presentation. Topics include:

- Housing Economics 101
- Housing underproduction and future need
- Housing permitting and under construction trends
- Scale of development / density
- Zoning
- Location
- Affordability and availability of units
- Naturally occurring units
- Affordability and availability matrix

- Current market conditions
- Policy options

Commissioner Larsell: I notice lots of up-and-down. It seems like there are only 2 years we're concerned about, then the pandemic year, so is this really a trend?

- Mike: If you're thinking about this as typical data analysis, you might see it as margin of error. But as development trends, the current market conditions from a couple years ago dictate what is happening today. So I agree that it jumps around, but it's difficult to see a 10 year window in a dynamic like Portland.

Commissioner Bachrach: In terms of total units produced, we're seeing higher density in the RM zones (limited number of units), and under-densification in other areas that could handle more units. On a macro level, we're falling short on total units. Is that a trend that may self-correct? What happened in the 2010s when we were out of whack between demand and supply?

- Mike: In 2010, you are thinking about condos (40% of supply) and apartments (60%). The condo market burst. So the driving factors today are different from then, but the stark difference is what you see in the market. Based on what we're seeing today, we have housing under production, which is why we have affordability issue. In peak production times, we don't really build more housing than we need. There is always a natural limit to what you can build. You want a market that is resilient in a variety of market conditions so you have various relief valves and delivery mechanisms.

Commissioner Thompson: What is the timeline of Inclusionary Zoning (IZ) relative to the permit issued?

- The vesting period began in February 2017, so the bulk of the run-up was late 2016.

Tom: It follows on that all the production in 2017-19 affected vacancy rates. In the Central City, with very high vacancy, that would see to affect the production of larger buildings. I'm wondering if there is insight into other regions over the same time period.

- Mike: Current conditions are vacancy rates are high. When thinking about an investment opportunity, the current vacancy rate doesn't have lots to do with it. If you look at 3-4 years from now, when we're continuously growing, we don't see a huge concern.

Options to facilitate more housing production:

- Explore locations where RM zoning could produce medium density housing
- Evaluate CM zoning to understand feasibility in current market, including 5 over 2 podiums and a range of wood designs
- Review of IH progress to date (since the published 18-month review) and re-evaluate incentives in light of changing market conditions
- Evaluate the feasibility of transferring and monetizing unused city FAR in the Central City
- Support design standards track as an alternative to discretionary review in DOZA
- SB 458 (fee simple development)

Joe: Thank you for this presentation, Mike. For the first point, we have our eye on that. And on the under-renting slide, we are talking about RM (multifamily residential). Part of under-renting is households with more resources take units out of supply that could serve more households. The place we've left them on the table, at least geographically, are in the inner RM areas. This is a sweet spot that

may not read like an affordable housing move, but it is a subset of the supply that could make a difference for households making less. Is that a way to read this?

- Mike: Yes, this is exactly what I'm thinking. Thank you.

Commissioner Magnera: As we're looking at the renting down slide, how does race interact with the affordability matrix?

- Mike: If you haven't looked at HB 2003 report, we tried to address this relevant question. But when we're using this census data, the problem particularly in Oregon is white households are a very large proportion of owners. So data at the metro level is good.

Tom: I wanted to reinforce the observation that MFI or AMI is a poor measure. These days, a family of 4 making \$97k/year is 100% AMI.

Commissioner Bachrach: A key take-away is that using MFI is really where we need more housing in the 60-80% range. The private market doesn't quite hit that. So are there ideas we can think about to stimulate housing in that sweet spot?

Sarah Zahn is Director of Development at Urban Development Partners. Multifamily residential is the primary development we do.

Jessica Woodruff, Development Director at Community Development Partners, and prior at REACH CDC. Working exclusively in affordable housing development. Federal is the top funder, followed by the state and then the city. Portland Housing Bureau and Metro funding on just two of our Portland projects. All are subject to IZ, but it really doesn't factor into our decision-making since our projects are 100% affordable. We do access incentives like SDC exemptions that the City has.

Commissioner Bachrach noted that we started with the premise that we're not producing enough housing in Portland. The 60-100% MFI range is what we're thinking about as the sweet spot. What are challenges you are finding that are unique to Portland?

Jessica: In corporate tax reform in about 2017, the federal government changed affordable housing rules to use the tool of low-income tax credit, so it can go up to 80% MFI. For us, in the previous recession, we lost access to capital (loans and equity). That is not happening today. The Illahee project in Cully the solar permit took 7 months, and it delayed the project so much that we're not sure we can do it now. In another project, we were going to put a rooftop deck, and we were told it wouldn't be considered a fifth floor, then we later were told about new code and there as a reversal in the decision. So it's timing and predictability. In other jurisdictions, we have a process manager for the whole project.

Sarah: The challenges have been lots of what Mike shared in the presentation – the production question and issue. We get our equity from high net-worth investors. If Sam were here, he accesses institutional capital, which has been a huge challenge in the past year. Our equity capital is more local, so we're not seeing as much resistance to the "Portland problem". We do have challenges on the debt side. Rents have flattened over the past years, with production going down, then COVID. When we're underwriting projects, we're looking at rents today and trying to predict the future to a certain extent. The lack of predictability today is a big issue. Two years ago, we could submit a permit request and know we'd be able to get a permit in 4-5 months. Today we don't know when we'll be able to pull a permit – it could take 6-9 months. In contrast, in other jurisdictions, I submitted a request in May, and we're expecting in

August for a 51-unit building. This has a huge impact in us since we're so invested in the project by that point.

Commissioners Bachrach: Sam works for a large developer. They work with institutional money. And a few other points he made: the zoning code used to incentivize housing... FAR, height, etc. We cut out a lot of incentives, so most are tied to affordable housing. Do we go back to having some new incentives in the code? IZ is not a panacea in terms of producing housing. It's a factor. We should think about what the recalibration is.

Sarah: I am not opposed to this idea, as it has worked in other jurisdictions. It takes testing and calibration. We're in that phase right now to examine how we can make tweaks to the program to help make it more successful. On the whole, we've seen

Commissioner Routh: Thank you all for being here tonight. You mentioned about the cost of design review, and we just talked about DOZA. I'm curious how you budget for design review – what costs do you consider?

- Sarah: We don't necessarily have a line item in the budget. We are planning for what we know will be required, so we can quantify our costs. Materials are obviously a significant factor, but there are other factors around ground floor treatment and storefront requirements especially.
- Jessica: I agree. Under community design standards, we feel they are a bit outdated.

Chair Spevak: Looking ahead, are you doing project in Portland? Do you think the building trend will continue to go down?

- Sarah: We have one project in pre-development that we expect to start sometime next spring. We would like to have more in Portland, but right now, we are struggling to find a project we can make work. That has a lot of factors contributing to that. People are diversifying their regional building stretch right now. I think we will see a shift, but it depends on the macro-economic moment. I think lots of developers are in a wait-and-see moment here.

Chair Spevak: It is reminding me how hard we've gone on CM zones. Building cycles hurt residents because housing prices go up so quickly.

- Sarah: One of the healthy barometers of a city is that it has a variety of developers. They each have a business model that fits into a sweet spot... for example, ours is the CM zone.
- Jessica: For my organization, we land on individual developments for specific reasons. Lots has to do with funding. Our sweet spot is 80-200 units. We are developing 20- to over 300-unit places. We can't get the land to fit our sweet spot often (particularly in Portland). But outside the city, the suburban deals are on the larger side, which we haven't quite figured out here yet.

Commissioner Bortolazzo: About IZ, while market rate housing and affordable can look exactly the same, the funding is very different. From a market rate developer standpoint, we see like a forced marriage. The issue of calibration came up. For IZ, calibration was trying to incent the developer to build instead of paying a fee-in-lieu. So is it calibrating the fee-in-lieu?

- Sarah: There is a larger penalty (\$) to pay fee-in-lieu or do an off-site option. In the development world, there is very little uptake on either option. I would love to see a viable option in this IZ study. You don't want them to be so optimal so developers pay the fee-in-lieu, but it is definitely not calibrated correctly currently.

- Mike: Every city has a pre-determined preference outcome (e.g. fee-in-lieu in Seattle). There are options to have more family sized units than what we see in IZ. A developer would be incentivized to pay the fee if everything was optimally calibrated.

Commissioner Thompson: Understanding we have a housing and a climate crisis, I want to understand how far we can pursue sustainable design standards in addition to all the other issues, fees, and constraints. Do you have ideas for incentives or policies to promote this?

- Sarah: Portland already has an aggressive and progressive take on sustainability within its building code. We are about to adopt a new statewide energy code, which is another big step. It adds costs, but when we look at our projects and sustainability goals, we are meeting lots of the same standards we would meet on a LEED-certified building. We aren't necessarily chasing a certification, but we are approaching sustainability based on the site, population, etc. From a market standpoint, it's about how we evaluate the value to continue to pursue additional goals.
- Jessica: I was at REACH CDC, I worked on the largest passive house in North America at the time. It's really important to me, but it does come down to costs and balancing all the factors. We are doing net-zero in La Grande, where it is quite cheap, so it gave us the opportunity to stay within our costs at a high sustainability level.

Commissioner Bachrach: Thank you to all. Do PSC members have a closing thought or comment?

Chair Spevak: Thank you for organizing this. When we adopted IZ, PSC predicted we'd suppress some development in corridors, which has, and I hope this gets trued-up. With the anti-displacement analysis, we identified high opportunity and low displacement risk – so upzoning here, we could work. Building permits is an issue in Portland as Sarah commented on.

Commissioner Sheoships: Thank you all. From eastern Oregon, I want more white millennials to move to La Grande! This is a system problem, and I'm curious about the current (crazy) real estate market here. I'd like to see more of the connections be made.

Commissioner Gittemeier: On a similar note, thank you for speaking to us. There is a climate, housing, and inequality crisis here. Outside of traditional market housing, we could look at ways for non-profits and community land trusts to be involved.

Commissioner Bachrach: Thank you all again. I'm in synch with Eli. We have been on record raising concerns about IZ in the past few years. I hope we can take it on as a policy that the PSC has influence on. It's up to us to be very engaged in the recalibration that's being talked about. Even though we don't have rezoning in RM or CM, we could consider this as a potential work product. If we can do things in the zoning code to alleviate housing pressure, we should look at that. Anything that can help build housing across the board will create more openings all around.

Commissioner Routh: Related to when I first came on, IZ had just passed, and we had asked for an interim report. I'm hearing the same for DOZA for next steps on hearing how it's performing in the future. I appreciate the differentiation question in terms of trends of apartment rents and home sales as Gabe noted. This is a huge gap and it goes to the larger issue that land is our main mechanism for building wealth, which is an inherent tension.

Adjourn

Commissioner Spevak adjourned the meeting at 7:52 p.m.

Submitted by Julie Ocken