

# Portland Planning and Sustainability Commission

December 14, 2021

5:00 p.m.

Meeting Minutes

**PSC Commissioners Present:** Jeff Bachrach, Johnell Bell, Jessica Gittemeier, Katie Larsell, Valeria McWilliams, Steph Routh, Eli Spevak, Erica Thompson

**City Staff Presenting:** Sandra Wood, Morgan Tracy, Eric Engstrom

Documents and Presentations for today's meeting can be found [here](#) and [here](#).

*Chair Spevak* called the meeting to order at 5:03 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.

## Items of Interest from Commissioners

*Commissioner McWilliams:* I wanted to pass along an invite from Oregon Smart Growth to attend the Oregon Smart Growth Speakers Series on January 12 at 4pm.

*Chair Spevak:* Tomorrow, City Council will be hearing amendments on the HRCP. I've drafted a letter to Council, with Brandon's assistance, from the PSC. For some of the amendments the letter is silent, but for some we included comments:

- Support amendment for a quicker review period of HR.
- We had mixed comments on dual recommendation bodies to the City Council: We support the idea of a joint hearing with the HLC but recommend sticking with the Recommended Draft proposal for the PSC to remain the recommending body to City Council.
- Support of the amendment about the composition of the HLC. The HLC asked for some changes to those requirements due to concerns that they would have a hard time meeting their diversity goals and we support their amendment.

*Commissioner Thompson:* Is the HLC in agreement with our recommendations?

*Chair Spevak:* They are largely in agreement – the exception is to the amendment for having dual recommending bodies to the Council.

*Commissioner Thompson* made a motion to approve the letter. Commissioner Routh seconded the motion. The motion passed unanimously.  
(Y7 – Bachrach, Bell, Larsell, McWilliams, Routh, Spevak, Thompson)

## **Director’s Report**

Director Durbin reported that interviews for the Chief Planner position are happening this week and there will be a meet and greet process in January. Hopefully we will have someone hired by the end of January.

Also, on a year-end note, on behalf of BPS staff, I wanted to extend our appreciation to all of you for the work that you do on a volunteer basis and say “welcome” again to our new commissioners.

*Chair Spevak:* I also want to thank the staff that help keep us on track.

## **Consent Agenda**

Consideration of Minutes from the November 30, 2021, PSC meeting.

*Commissioner Bachrach* moved to adopt the minutes and *Commissioner Routh* seconded the motion. The motion passed unanimously.  
(Y8 - Bachrach, Bell, Gittemeier, Larsell, McWilliams, Routh, Spevak, Thompson)

## **Residential Infill Project – Part 2 Hearing**

*Morgan Tracy, Sandra Wood*

### Presentation

*Chair Spevak:* I am proposing turning moderation of the Residential Infill Project – Part 2 (RIP2) over to Commissioner Thompson. Since the bylaws don’t address this directly, we are going to do the transfer by consent. *I would like to make a motion* to turn the moderation of the RIP2 proceedings to Commissioner Thompson. *Commissioner McWilliams seconded the motion.* The motion passed unanimously.  
(Y8 - Bachrach, Bell, Gittemeier, Larsell, McWilliams, Routh, Spevak, Thompson)

*Commissioner Thompson:* Introduced the RIP2 hearing. Staff will give a short presentation and then we will open the hearing for public testimony. There are 31 people signed up to testify. Each testifier will have 3 minutes to speak. After the testimony closes, there will be time for a round-robin discussion amongst the commissioners.

## **Commissioner Introductions and Disclosures**

Before the start of the hearing, each commissioner introduced themselves, and declared any potential conflicts of interest they may have. Several commissioners (Bell, Larsell, Thompson) disclosed that they owned property in a single dwelling zone where the RIP2 proposes will have an impact. Additionally, Chair Spevak and Commissioner McWilliams made the following disclosures:

*Commissioner McWilliams:* I own property in a single dwelling zone, and as part of my job at Metro, I help coordinate the Build Small Coalition, which submitted testimony on this project. I did not participate in those conversations or the writing of their letter. Out of an abundance of caution I want to declare that I have no conflict of interest based on my role with Metro.

*Commissioner Routh:* I also own property on a single dwelling zone and for my day job I work at the Sightline Institute, which submitted testimony on this project. I keep a firewall between my work and items that come before the PSC, and I did not have any role in developing that testimony. And out of an abundance of caution, I want to disclose this and declare that this does not represent a conflict of interest.

*Chair Spevak:* I am a developer with a focus on affordable housing, so I, too, have some disclosures. I own my home in a single dwelling zone and I also own some property in the R5 zone that will be developed in the near future. though I do not anticipate they will use any of the provisions in RIP2. In the event any discussion comes up that could be specific to that development I will absent myself from those discussions. I also want to disclose that I have been involved with the Build Small Coalition, though I did not have any hand in the testimony submitted by them.

## Staff Presentation

Morgan Tracy gave a brief overview of the Residential Infill Project – Part 2 (RIP2). project.

### State Mandates

- HB2001 – requires cities to allow duplexes on *all lots* and other middle housing (triplexes, fourplexes, cottage clusters, attached houses) in *most areas* by June 30, 2022
- SB458 – requires cities to process land divisions for middle housing development so that each dwelling can be sold on its own lot by July 1, 2022

### What areas are affected

- R10 and R20 areas – mostly located in outer areas of East and SW Portland
- Constrained Sites Overlay Zone (includes some lots in R7, R5, and R2.5 zones)

### Project Key Proposals

1. Building Size: Applying FAR limits on R10/R20 sites smaller than 10,000 sf
2. Duplex: On any lot
3. Triplex/Fourplex: On some lots

4. Duplex + ADU or House + ADU's: On some lots
5. Deeper Affordability Sixplex: On some lots
6. Visitability: On sites with 3 or more units
7. Allow attached houses in "areas" on separate lots: Already an allowed housing type. What's new is a higher density at that same level as middle housing types.
8. Allow cottage clusters in "areas": Clusters of smaller detached units arranged around a common open area. They must be allowed through a clear and objective process
9. Apply the 'z' Constrained Sites overlay: This is a big factor in "most lots" designation and includes:
  - Natural resource inventory
  - Floodplain
  - Landslide (update Comp Plan map)
  - Mapped e-zones
  - Wildfire Hazard Areas
  - Industrial Sanctuary
  - Airport Nose Areas
10. Expedited Middle Housing Land Division (cont)
  - Zoning requirements apply to original parcel as a whole
  - Building code applies to each lot
  - Separate utilities
  - One unit per lot

Next steps:

- Take public testimony
- Close oral testimony
- Leave record open until December 17 for written testimony
- PSC discussion and questions
- PSC amendment ideas by December 23 for work session
- Continue hearing to PSC work session – January 11, at 12:30 pm
- City Council in the spring

Project Timeline: We have until July 1, 2022. Cities that don't meet the deadline must apply the State Model Code.

## **Public Testimony**

*Commissioner Thompson:* Opened the hearing for public testimony.

1. *David Sweet:* I am a resident of Cully where we are blessed with a rich and vibrant diversity that much of Portland lacks. Some of my neighbors came to Cully after being displaced from other, closer-in parts of the city. We are developing a plan for a TIF-funded community development district in Cully. We hear over and over that people need affordable housing options. I would like to recommend several amendments to RIP2:
  - The MHLD process should be extended to affordable five- and six-plexes.

- Adjust the lot coverage and setback standards to allow up to six townhomes to be built on a standard lot.
  - ADU Fairness. I hope you will recommend allowing ADU's up to 800 sf regardless of the size of the primary home.
2. *Benjamin Bradea*: After the adoption of Residential Infill Project Part 1, I purchased a lot with the intent of developing middle housing under RIP1. I have now received a notice that states my lot is proposed to be in the 'z' Overlay, which would preclude us from developing the affordable triplex that we are proposing on that lot. I think that it is unfair for those that purchased property with the expectation of being able to develop it using the RIP1 provisions for middle housing to then be excluded with RIP2.
  3. *Matt Kelly*: I work for the City of Portland, but I represent only myself here. I want to support the P:NW testimony. I want to talk specifically about the restrictive ADU rules. I own 768 square foot home in Buckman on an R5 lot. We would like to add an ADU to our lot at some point, but because we have a small home, we would be limited to a much smaller ADU than if we owned a larger house. This makes no sense and I would like to see more flexibility for ADU sizes.
  4. *Doug Klotz*: I support the P:NW amendments and, along with P:NW, I don't agree with the addition of the Wildfire Hazard layer being added to the 'z' Overlay. This essentially limits middle housing to duplexes in the R10 zone. The wildfire hazard map should be removed from the RIP2 proposal and left in the building code where it belongs. It would probably be wiser to wait for the state to finish its wildfire mapping anyhow. I would also like to express my support for the HLC recommendation for allowing garden-style plexes. I also support the request for ADU's to be subdivided from the primary dwelling.
  5. *Michael Andersen*: I cover housing for the Sightline Institute and I'm also the former resident of a backyard cottage, a home that today still offers lower cost housing within walking distance of a MAX stop. And because ADU's are legal to build in Portland meant my family wasn't bidding against and outbid by other families looking for similar homes. At Sightline, I ran some numbers to see what types of housing are mostly likely to be built in the market, and it turns out that the answer is those that don't require a demolition, such as a double ADU, a tiny home-on-wheels, or remodeled cohousing. A good example of what we've seen come in under the RIP1 code is two double ADU's in East Portland. We ran some numbers to find lots with homes under 1,067 sf with no ADU's to try and quantify how many of these prime infill lots there are. It turns out there are a lot, almost 1 in 6 city lots, and most are in East Portland. I found an example of a street with 20 homes.

*Commissioner Bachrach*: So, what did the residents of these homes tell you?

*Michael Andersen*: We heard a variety of things. Some already had ADU's, some didn't like the idea, others were interested but didn't have the financing, and one couple was considering an ADU for a 91-year-old parent.

6. *Preston Korst*: I'm with Habitat for Humanity and I would like to add to the written testimony we submitted that was signed on to by some other local affordable housing developers. We're concerned about the housing shortage and lack of inventory and the

effect that has on housing prices. As an example of this, for Habitat's most recent 37-unit development in Portland, we received over 800 applications in a matter of two weeks. We identified several changes that we would like to see to support more affordable housing: more flexibility for ADU's, expansion of homeownership opportunities through the MHLD's by extending the option to subdivide to sixplexes, and more options for plexes in different configurations.

7. *Tim McCormick*: I'm director of Housing Alternatives Network and a member of the Build Small Coalition and founded the P:NW Homelessness and Low-Income Committee. I've worked on many projects over the last ten years, mostly focused on the lowest cost, highest adaptability housing particularly for the houseless and other marginalized groups. I followed RIP1 and RIP2 and have testified on this in the past. I support the P:NW proposals, but I want to focus on one piece specifically that would help lower housing costs and lead to a rapid increase in the number of housing units, which is to allow cottage clusters to include movable dwelling units. We already have similar allowances in place that were enacted under the S2HC project. Movable housing is by far radically lower-cost than stick-built structures (1/10 the cost), can be owned by lower-income households, and can be moved if needed. I recommend this be included in the PSC version of the proposal.
8. *Kol Peterson*: I drafted the ADU portion of the BSC letter and I helped with the P:NW letter. SB458 is a game changer for financing middle housing and providing more wealth building opportunities for moderate income households. There's roughly 2000 detached ADU's in Portland and we know from the sale of condo-ized ADU's these are the least expensive forms of homes that can be owned today. We need to find more ways to allow for the partitioning and fee-simple ownership of ADU's and middle housing. We know that attached units attract less interest for purchase than detached, so for the existing ADU's that are attached but could be sold off under SB458 as duplexes, there is little demand for these. A viable workaround for detached ADU fee-simple lots is for there to be a two-unit cottage cluster.
9. *Madeline Kovacs*: I am proud to testify on behalf of the BSC, a small group of small home and affordable housing advocates convened by Metro and advocating for development of and access to more affordable housing options across the Portland Metro. Portland has already done such great work and we want to keep building on that. We are advocating for:
  - Allow graduating FAR for fourplexes
  - Allow fee simple land divisions for affordable sixplexes – stopping at four units is a death knell for affordable land divisions
  - Remove the wildfire hazard zone from the 'z' Overlay
10. *Eric Thompson*: I own an infill development company called Oregon Homeworks and have been doing this work since Mayor Hales was in office. From my "feet on the street" perspective, I'm very supportive of RIP2 but with a handful of added changes:
  - Allow developments to share stormwater facilities and sewer laterals under SB458
  - Allow ADUs to be available for fee simple ownership
  - Confirm that existing houses and ADU's can be included in cottage cluster development

- Allow up to 50% of units in cottage clusters to be attached
  - Allow pedestrian pathways to be counted towards the shared courtyard
  - Allow cottage clusters to be built on lots smaller than 5000 sf if they can meet all of the code requirements
  - Calculate lot coverage with the lot area before dedication
  - In addition to expedited land divisions, there should be an expedited building permit review process for MHLD's.
11. *Henry Honorof*: I'm a homeowner in Eliot and a registered lobbyist for P:NW but I am speaking on behalf of myself tonight. I want to talk about fourplexes. They are the most affordable, unsubsidized housing opportunity available, and we need to do everything we can to better enable their construction in neighborhoods:
- Incentivize fourplexes by bumping up the FAR.
  - Reduce the minimum lot size for fourplexes to the minimum lot size in each zone
  - Allow more types of four-home configurations
    - i. Allow attached or detached homes up to four units on any lot
    - ii. Eliminate the minimum number of units in a cottage cluster
  - We also need a new name for the single swelling zones
12. *Eric Lindsay*: I support the BSD and P:NW. I am currently building a RIP-inspired development in the the R5 zone in Overlook, so I thought I could use that to illuminate some of what we've already heard tonight. We are remodeling a 1900's home and converting the basement to an ADU in the basement and would like to convert the detached garage into two attached ADU's. Unfortunately, I have come to learn that this configuration is not allowed under either RIP1 or RIP2. I ask you to amend RIP2 to allow fourplexes in any combination of attached or detached units.
13. *John Gibbon*: I'm speaking personally but also on behalf of the Markham NA – we've been unable to meet during Covid. We were supportive of RIP1, especially relative to much of SW Portland. I am concerned that RIP2 will be doing damage to the benefits gained from RIP1. Markham will be impacted greatly by the changes to the application of the 'z' Overlay and many lots that had increased opportunities from RIP1 will lose that. My other concern is that the rules for unmaintained streets will leave out some otherwise adequate lots.
14. *Athul Acharya*: I am on the board of P:NW. RIP1 was a very important first step, but it was a promise. And to keep that promise, RIP2 must adopt the amendments submitted by P:NW and especially should not expand the 'z' Overlay.
15. *Matthew Tucker*: I own a single-family home in the R5 zone in Richmond. I've been impressed with the work the city has done to add gentle density. I would like to add my strong support to:
- Add more options for affordable five and sixplexes
  - Not expand the 'z' overlay
16. *Rod Merrick*: I would like to provide a different perspective than what we've heard. I agree that the City needs middle housing and greater density. The state has mandated some additional density, but it does not say it must be everywhere. And I agree that ADU's and duplexes at SFR scale are appropriate in most places. But the Comp Plan identified areas that were appropriate for more density. The RIP approach planning

creates scattershot development that will actually increase auto-dependence. It's time to revisit the goals of the Comp Plan and rethink this approach to middle housing and density.

17. *Douglas MacLeod*: I am an active member of the HBA and other housing organizations and also do some development on my own. I want to suggest one tweak to the deeper-affordability option, which allows 1.2 FAR and 6-units at 50%MFI. I think that this should allow for townhouse units, instead of the stacked flat approach. Also, PHB added language to the meaning of 60% MFI in 18 pages of unintelligible code and that also needs to be addressed. I also think there should be another option to allow 6-units built to HOLTE standards.

*Commissioner McWilliams*: Can you clarify the PHB comment?

*Doug MacLeod*: PHB was tasked with defining and implementing 60% MFI, and my understanding was that they pulled language from other programs that doesn't apply, and it doesn't make sense for small developers or realtors.

18. *Johann Hannesson*: I am registered lobbyist for PNW. I want to speak about cottage clusters. I think given the given the minimum lot and units sizes and the open space requirements, the ability to build cottage clusters is very limited. Allowing attached cottage clusters should be considered. Attached homes are more energy efficient and are a more efficient use of space, and an attached cottage cluster is a home just like any other.
19. *Emily Guise*: I live in FOPO in an 8-plex and am a renter. I fully support amendments put forward by P:NW.
20. *Sam Noble*: I live in SE Portland, and I agree with the P:NW amendments. The 'z' overlay is problematic and needs to be changed. One area that I think could be improved is fourplexes needing a 4500 minimum lot size. Lots that are smaller than the citywide average for R5 are common. The threshold for fourplexes either should be lowered for these lots in inner-ring neighborhoods or else these lots should all be rezoned to R2.5 or RM1. Also, I think that detached shed structures should not be counted towards FAR limits.
21. *Jonathan Greenwood*: I support the P:NW amendments. I think we should allow for:
- Fee simple land divisions for up to six units if 50% of units are affordable.
  - Portland should center the voices of communities of color who as for more housing options in inner NE Portland as documented in PCRI's Community Conversations
  - Allow more ADU flexibility
  - Make the changes to fourplexes as described in the P:NW testimony.
22. *Daniel Meyers*: I'm an architect and a big fan of RIP1. I own an SFR in the R5 zone. I have a question, why would the City support a policy in the 'z' overlay that limits housing due to wildfire only. If we're looking at wildfire hazard, why aren't we looking at liquefaction or other hazards? This would perpetuate, renew, and cement Portland's history of segregationist housing policy. The net effect would be to suppress any wealth and racial



diversification in these exclusive areas that RIP may bring. We need to look more closely at how we are using concerns of risk to perpetuate inequality.

23. *Ryan Makinster*: I am the Director of Government Affairs for the HBA. I agree with much of what I've heard today. The Housing Regional Needs Analysis states that we will need about 6,700 new units per year to meet our housing needs. The way to meet our housing needs is to build more houses. Until we meet the housing deficit, we need to do everything we can to build more. I also sit on the BSC and agree with their letter. I want to highlight a couple of the issues in there:
- We should allow for detached plex units as allowed in HB2001.
  - SB458 requires ELD for townhouses at the point of proposal, not just when designated as plex.
  - To answer an earlier question from Commissioner Bachrach: Fourplexes are hard to pencil for developers, so adding an extra increment of FAR would make that more feasible.
24. *Luke Norman*: I am here on behalf of P:NW. Portland is facing an affordability crisis, that disproportionately impacts communities of color. We know that allowing more housing a little closer together in every neighborhood can help alleviate the housing crisis. To better enable that, we must:
- Allow MHLA's to allow for fee-simple sixplexes
  - Legalize culturally responsive townhomes by reducing the setbacks and building coverage for sixplexes – this idea was informed by PCRI's conversations with displaced communities and would help them move back to inner N/NE neighborhoods.
  - Make changes to allow for ADU fairness
  - Allow fourplex flexibility with an FAR bump, legalize fourplexes on all legal lots, and allow for any configuration of attached and detached fourplexes
  - Not expand the 'z' Overlay due to wildfire hazard. This concern should remain addressed with the building code.
25. *Brian Posewitz*: I am just an average citizen from Sellwood. In general, I support the goals of density and flexibility for housing types. My basic complaint is that they seem too attached to attachment – I would recommend allowing more detached units outside of the cottage cluster units that can then be divided. I would like to add more units on my lot in Sellwood rather than seeing a developer replace my home with a larger home.
26. *Heather Flint Chatto*: I am here on behalf of a client for a tiny house on wheels project. I would like to advocate for including tiny houses on wheels in the definition of cottage clusters. It would be a pathway to add adaptive density. My client owns a 20,000-sf lot in the RM1 zone and faces a challenging path ahead for this development. My recommendation is to create an expedited pathway for tiny homes on wheels in village clusters and to create a package of financial tools for internal conversions. I also want to recommend an innovative housing demonstration policy that would allow a limited number of pilot projects to move forward to demonstrate new ideas.
27. *Martha Johnston*: I am in the East Columbia NA and have RF zoning and, therefore I am not included in the RIP2 and would like to do cluster housing on my site. Why aren't RF zones being included? I would like to hear more about why I can't, even though I have

an R10 Comp Plan designation. I also support the tiny houses on wheel changes – out on Marine Drive there are people living in RV's. I also don't support the 'z' overlay with all of those constraints. I am not clear on why the PDX contours are being included.

*Commissioner Thompson:* We've heard all the oral testimony and we will go ahead and close the oral testimony portion of the meeting. We have time for a round robin with the commissioners and questions for staff.

*Commissioner Gittemeier:* I was impressed with the testimony and am interested in seeing some changes to the proposal to include some of the amendments that were raised.

*Commissioner McWilliams:* I agree that there was good testimony. What emerged for me was the new ideas to create more options and affordability for housing. RIP1 was able to advance racial equity and I'm really excited to see how we can further that with RIP2. I want to hear more about the tiny homes idea as well as others.

*Commissioner Routh:* I appreciate the thoughtful and instructive testimony. I appreciate the testimony from the HLC about garden apartments and types of housing that are no longer legal in many zones. I also want to talk more about what ADU equity looks like and my questions and concerns about the 'z' Overlay have not been allayed, so I look forward to a substantive conversation about that.

*Commissioner Thompson:* I think we heard a lot of great ideas tonight. Going back to the purpose and scope of RIP2, I think the task before us is to try and capture as many of these ideas as we can while still recognizing that this is a compliance-focused project. I heard a lot about the 'z' Overlay and what sort of undue bias may be built into that and considering what changes we can see there.

*Chair Spevak:* Nice work, Erica! I think that we need to consider some of these ideas, especially the ones that are trying to preserve existing houses while adding units e.g. detached plexes and more ADU's. I'd also like to hear more about some of the infrastructure questions that were raised, such as around shared laterals.

I also want to mention that I support the HLC proposal for courtyard housing. Also, I want to note that the PHB rules comment is outside of our purview and note that, yes, it is confusing, but also recognize that we often leave them with work to implement rules with very little guidance from Title 33.

And lastly, I want to add to what I heard tonight about changing the name of the single dwelling zones to something different – maybe Neighborhood Residential?

*Commissioner Routh:* To what extent can a RICAP tidy up after the fact?

*Chair Spevak:* It's been years since we've done one.

*Sandra Wood:* In next year's budget we are asking for extra code funding for this type of project, but there was no RICAP in the fall BUMP. And to clarify, a RICAP is a Regulatory Improvement Code Amendment Project to clean up the Zoning Code.

*Commissioner Thompson:* I'd like to have some clarity about Martha Johnston's testimony about the RF zone.

*Morgan Tracy:* While the RF zone is in our Residential Zones Chapter of the code, it is actually a Farm and Forest zone which isn't included in the state's middle housing legislation and therefore doesn't qualify for the middle housing allowances. I will follow up with a phone call to Martha to explain further.

*Eli Spevak:* I also want to bring up my support for attached cottage cluster units. I currently live in such a unit and I love it.

*Commissioner Thompson:* I'd like to hear more about the 'z' Overlay and wildfire.

*Sandra Wood:* I would like to just clarify what I'm hearing here, which is about the scope of this project and the constraints of the compliance deadline. We've heard a lot of good ideas, but I would recommend that maybe the commissioners can talk more about what your goals are for this project to help focus staff on what they can bring back to you in January.

*Commissioner Thompson:* I hear that, though there are other voices not here that I would like to involve and more time to read the testimony. Let's talk wildfire.

*Morgan Tracy:* Some of the resistance you might be hearing from staff reflects the constraints of the state's legislation and our obligations of the state's timeline. For wildfire, it's at the intersection of climate resiliency and urban planning. We now have the wildfire hazard map that's meant to address building code issues and how to construct buildings to be more resistant to wildfire. What is different for wildfire risk, unlike earthquake risk, is that it's not just about saving buildings, but about moving people out of harm's way in the event of an emergency. The West Hills provides a unique constraint and one of the inherent characteristics of that area is its topography and vegetation. When we look at the Eastside vs the West Hills, much of the disparity is driven by the topography and the natural characteristics of that area.

Another thing to consider is that after the wildfires that have happened in recent years, we see that those most impacted are low-income families and communities of color.

A recent Willamette Week article quoted the PBEM director who stated that 70,000 Portland residents are in immediate danger of a Forest Park fire, not to mention the smoke and other consequences that would affect all Portlanders. She therefore called wildfire one of the biggest threats facing the city, which is echoed by PF&R officials. While wildfire hasn't been a principal concern in the past, recent events in the region are changing that outlook. As we've heard from

the Commission, the data we have is a little out of date. Unfortunately, for now this is the data that we have as it is what was adopted into the Comp Plan. If we had better data, we could be more confident and precise on where the wildfire hazard areas should be. We are constrained by the State's timeline, so even if there is better data coming in the next year or two, we need to get this done by July 1, 2022.

This also raised the question of whether we could leave the wildfire areas out of the 'z' Overlay for now and add them later with better data. The issue with that approach is that it could trigger Measure 49 claims, which requires cities to waive or compensate property owners if they lose development opportunities. Since we would be granting additional entitlements with RIP2 and then removing them later, this could come up and even if they weren't successful, it would mean a lot of staff time and City resources to address them. A better approach that would be easier and less impactful would be to use the existing wildfire data and then scale the 'z' Overlay back with the updated data.

There's also the issue that building in these areas is more expensive, in terms of infrastructure, which add to costs, so some of the hopes for more inexpensive housing in the West Hills would be challenging to realize.

*Eric Engstrom:* I want to interject a little bit of perspective from the Comprehensive Planning Team. The Comp Plan is not just a set of policies and maps, but also an investment strategy that has an impact on the City's finances and risk and liabilities in the future.

We are also the keeper of the Citywide System Plan (CSP), which is a list of needed public facilities needed to respond to growth over the next 20 years. During the last update, we updated the maps, policies, and the CSP. In general, there are greater infrastructure needs than what we have money for. With the Comp Plan, the goal was to focus growth in areas that allowed us to most efficiently fund new infrastructure to serve that growth in areas with existing transit, infrastructure, and amenities. This ends up being areas of the City's that are located in the flatter areas of the city with more infrastructure. We also limited growth by downzoning areas that do not have adequate infrastructure, which definitionally correlate with the R10 and R20 zones. This means that developing these areas is more expensive from a public infrastructure standpoint but, as Morgan mentioned, it is also more expensive on the private side of things due to things like geotechnical engineering costs and tree removal.

*Commissioner Thompson:* I just want to ask if we can pause the wildfire discussion and finish later or have that info in a memo so that we can move on to the next agenda item.

*Eric Engstrom:* I think we will have time, since I am presenting the next agenda item.

The other thing I want to mention is Goal 11, which requires us to provide adequate infrastructure to support the zoning map that we have. We hear a lot that developers should pay for needed new infrastructure, but it isn't quite that simple. We can require developers to build infrastructure to support their development, but that is limited by constitutional principles of

proportionality. Since most incremental additions don't cause the need for new infrastructure, the burden falls on the development that does cross that threshold, but proportionality limits the city from getting the full cost of the development from the developer. The cumulative impacts go unaddressed and generally those costs are paid for by the public.

Another consideration with the 'z' Overlay is that it correlates with many of these areas of the city that are infrastructure deficient. While it is fine to have a conversation about where the 'z' Overlay should be placed due to wildfire, removing it means that there is unfinished work in the overlap areas where we did not look closely at needed infrastructure improvements to support middle housing since these areas were excluded due to the 'z' Overlay.

While I understand the sentiment to ensure that the R10 and R20 zones carry a fair share of new growth and affordable housing options, because of all the things mentioned here, doing so won't meet that objective, at least from an infrastructure cost perspective.

*Chair Spevak:* I want to get back to the project scope. I want to acknowledge that we did talk about the need for a narrowed scope because of the timeline but the wildfire hazard wasn't part of the state's mandate.

I also want to know if you can help the PSC understand which of the amendments that have been suggested in testimony are quicker and easier and which are the heavy lifts. It would be helpful for us to know what would be pretty straightforward and what are tangled knots that we don't have time to deal with.

*Morgan Tracy:* Your idea is great, Eli. Some of these ideas are good and easy to accomplish, some are good but would require a lot more work, and still others that may go beyond the project scope. We'd be happy to lay that out for you.

As for the wildfire hazard and the 'z' overlay, HB2001 says we must allow middle housing "in areas" and we may limit densities in certain situations. This does not require us to exclude wildfire areas. There is an obligation for the city to address natural hazard areas and the 'z' Overlay was the tool we chose to implement that.

*Sandra Wood:* To add to that, HB2001 does not exist in isolation – we still need to meet the statewide planning goals, as well as the Comp Plan and other land use policies. We need to look at the natural hazards within that larger policy context, not just the language of HB2001.

*Commissioner Larsell:* I just want to remind the commission that we just went through the Ezones Project and that most of those areas were in the West Hills. And some property owners were against that idea, but looking at that area, we need to consider how the forests up in the hills that are better protected by the Ezones Project are susceptible to wildfires.

*Commissioner McWilliams:* To go back to the goals and scope, for me, beyond compliance, I think we need to focus on what brings the biggest impact to the City in terms of more housing. Beyond compliance, I think we need to look at who benefits from RIP2 and how to focus that.

*Commissioner Thompson:* The next steps are for Commissioners to read the rest of the testimony and submit ideas for amendment ideas to staff by December 23. We will be picking this up again at our January 11 RIP2 work session.

## **BPS Work Plan for FY 2022-23**

Eric Engstrom, Andrea Durbin

### Presentation

Eric Engstrom gave a presentation on the BPS Planning Work Plan for FY 2022-23.

- Programmatic Work – a reminder that there is ongoing program work that we must fund every year
- Continuing Projects – a number of these will be ending in FY 2022-23, which will result in 3-5 FTE able to pivot to new projects
- Possible New Projects w/ Existing Resources
  - Multifamily/Multigenerational housing
  - Spatial Justice Code Package
  - 82<sup>nd</sup> Ave Equitable Community Development
  - PSC Code Update – Scope, purpose, charter
  - Central City Fundamental Design Guidelines
  - Green Loop and Green Rings implementation
  - Acoustic zoning
- Possible Spatial Justice Projects
  - Home based business and convenience store (code)
  - Equitable RIP implementation (technical assistance)
  - Health and Equity Overlay (research and scope development)
  - Preserve protect, restore cultural assets (historic resources)
  - Increase affordable housing opportunity on CDC/faith-based land (zoning, technical assistance)
- Candidate FY 2022-23 Budget Requests (Ongoing)
  - Code Team Capacity – 2 FTE
    - Regulatory Improvement Packages (RICAP)
    - S2HC Code Refinement
    - Centra City Code Refinement
    - Land Division Code Refinement
    - Respond to State Legislation
  - Climate Resiliency
    - River Plan North Reach

- Further Floodplain Work
  - Natural Resource Restoration in BIPIOC Communities
  - Built Environment
  - Decarbonizing Transportation
- Age Friendly Program
  - Age Friendly Urban Centers in Multigenerational Housing
- Candidate FY 2022-23 Budget Requests (One-Time)
  - East Portland
  - Other ARPA Requests
  - Fossil Fuels Next Steps
- Parking Lot
  - Comp Plan Policy Housekeeping
  - Dark Skies Implementation

*Director Durbin:* In terms of process, we are still waiting for the budget guidance. It's not clear if the ARPA funds will be allocated through our budget process or through a parallel process. We'll know that in the coming weeks.

*Chair Spevak:* It's nice to see that there is a light at the end of the tunnel for staff and opportunity for more project possibilities. I would hope that the PSC could have a role in selecting new projects and note that we can also help remove some of these projects that are lower priority. Can we carve out some time at the next meeting to talk about this, or would it be too late?

*Eric Engstrom:* The budgeting decisions will probably need to be made by then, but the reprogramming of existing capacity will still be on the table.

*Commissioner Larsell:* I wish we had more time for this discussion. I would like for you to send us this list but also include project descriptions so that we can understand these. Also, I hope that there is an opportunity for the PSC to provide meaningful input that staff listen to.

*Commissioner McWilliams:* To clarify about process, will the budget requests then inform the work of the Budget Advisory Committee?

*Director Durbin:* Yes, that's correct. We have three commissioners on the BAC (McWilliams, Rough, Thompson). That will be the most direct way for the PSC to engage with the budget process.

*Chair Spevak:* A couple of thoughts:

- Off your first slide, the first 4 and #6 look good
- I think the acoustic noise piece doesn't stack up against the other priorities laid out here
- One thing that is missing is a code fix for the mixed-use zones to make it easier to develop there

*Commissioner McWilliams:* It would be helpful if the specific geographic location for the different projects is provided so we are able to see whether projects are in underinvested areas.

**Adjourn**

*Commissioner Spevak:* Adjourned the meeting at 8:06 p.m.

Submitted by JP McNeil