

Portland Planning and Sustainability Commission

February 8, 2022

12:30 p.m.

Meeting Minutes

PSC Commissioners Present: Jeff Bachrach (left 3:00 p.m.), Jessica Gittemeier (left at 3:15 p.m.), Katie Larsell, Oriana Magnera (arrived 12:35 p.m.), Valeria McWilliams, Steph Routh, Gabe Sheoships (left at 2:30 p.m.), Eli Spevak, Erica Thompson; 1 open position

PSC Commissioners Absent: Johnell Bell

City Staff Presenting: Andrea Durbin, Brandon Spencer-Hartle, Eric Engstrom, Joan Frederiksen, Sandra Wood, Morgan Tracy, Tom Armstrong, Cassie Ballew; Eric Hesse (PBOT)

Guest Presenters: Anne Debbaut, Evan Manvel, Kevin Young, Matt Crall, Bill Holmstrom (DLCD)

Documents and Presentations for today's meeting

Chair Routh called the meeting to order at 12:31 p.m.

Chair Routh: 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

- None.

Director's Report

Andrea Durbin

- Ezones goes to Council on February 16 for the first public hearing. *Commissioner Sheoships* will represent the PSC.

- BPS made 5 ARPA requests, and Council will be deliberating on those requests from all bureaus in addition to the FY 2022-23 budget.
- Council adopted the Historic Resources Code Project (HRCP). Brandon Spencer-Hartle shared an update of Council's vote on HRCP including the amendments from the PSC's recommendation. There is a virtual lunch-and-learn on February 16 at noon if anyone is interested in hearing more.
- Appreciation and thanks to those who participated in the BPS Budget Advisory Committee this year.

Consent Agenda

- Consideration of Minutes from the January 25, 2022 PSC meeting.

Commissioner McWilliams moved to approve the Consent Agenda. *Commissioner Thompson* seconded.

The consent agenda passed.

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

DLCD Climate Friendly Equitable Communities Rulemaking

Briefing: Tom Armstrong, Eric Hesse, Anne Debbaut, Evan Manvel, Kevin Young, Matt Crall, Bill Holmstrom

DLCD Presentation

City Presentation

Tom introduced today's briefing. There is an overview presentation from DLCD staff, an overview of this for what it means for Portland, and then time for Q&A.

Kevin and Bill are project managers for this effort. They have been engaged in rulemaking for about 1.5 years, and the first hearing will be in March.

Evan provided background – March 2020 guidelines to meet goals of reducing and regulating GHGs and prioritize equity at the forefront. We are very far off from meeting our goals with current plans for climate impacts and pollution. We know transportation pollution is about 38-40% of all climate pollution in Oregon, so this is the challenge in front of us. In terms of equity, we see the results of intergenerational wealth (gap) and inequities in Oregon.

The rulemaking the DLCD initiated focuses on where most transportation pollution is in metro areas in particular. Outside of these areas, the rules don't change.

Two rulemaking categories:

- Regional planning to meet pollution reduction targets.
- Update land use and transportation rules.

Portland Metro adopted the Climate Smart strategy in 2014 and is being used in the RTP and other planning efforts.

DLCD found 6 focus areas to updating the planning rules:

- Climate-friendly areas.
- Reform parking management.
- Support EV charging.
- High-quality pedestrian, bicycle, and transit infrastructure.
- Go beyond focus on motor vehicles.

Kevin gave an overview of climate-friendly areas, particularly in the Portland Metro region. The rules will apply here differently than in other local governments that have yet to do work.

Parking reform is a key part of the rulemaking as well, with three options for cities to choose a reform approach:

- Repeal parking mandates.
- Reduce parking mandates for certain types of development and in key areas. Adopt fair parking policies.
- Further reduce parking mandates for types of development in more areas.

Bill talked about Transportation System Planning and changes in the rules. Renewed emphasis on connected and safe systems for people to meet daily needs without driving. Paying attention to neighborhoods that have been disinvested in to ensure they have access to opportunity and making investments that don't create more harm than good. Reframing how we look at success in a transportation system – not just moving cars and decreasing congestion... safety, access to destinations, etc are all components.

Last week, the LCDC briefing included key questions and timeline discussion. Tomorrow we will hand off the rules to the attorney for review. The draft rules will be published on March 1, with a first hearing on March 31. The adoption hearing is scheduled for the May 19-20 session.

Tom and Eric provided an overview of what the rules mean for Portland.

While already a direction that our work has been taking, the proposed rules do provide clearer and stronger additional direction to be investing in multimodal projects and programs, particularly in historically underinvested areas. The rule balances this with additional requirements on how local governments are also focusing on creating additional affordable housing and increasing housing stability for residents and mitigating the impacts of gentrification, as well as the economic and physical displacement of existing residents resulting from investment or redevelopment.

The rules also have clearer requirements for more equitable public engagement in the development of TSPs, which is also in line with City staff past practice and future intent, though the need to ensure adequate resources to support these efforts, including compensation for community members will be a key need.

Recognizing the key role that parking can have on travel demand and ultimately GHG gas emissions, the rule proposes various pathways for implementing further parking reform, focused on reducing

unnecessary parking supply and applying best management practices to existing and future on- and off-street parking.

While broadly supportive of the rule's intent, which points to many of the policies and practices already undertaken in Portland, city staff are still assessing which of the proposed compliance pathways makes the most sense for Portland. This could also be influenced by whether Metro chooses to exercise application of an "alternative standard" for the Portland Metro region (perhaps as part of the next RTP update cycle), which the rules provide for in recognition of Metro's unique level of delegated authority under state law.

The rule also currently identifies potential requirements for the provision of parking space and electrical conduit requirements for electric vehicles. DLCD is currently working with other state agencies on finalizing these potential requirements, and the City's EV parking code will conform to whatever winds up in the rule.

This rulemaking has a crossover to the Housing Needs Analysis and Housing Production Strategy reforms in HB 2003. Again, this direction to promote affordable housing, accessible housing, anti-displacement and increasing housing choice in centers and corridors is consistent with the policy direction in the 2035 Comprehensive Plan. The proposed rules codify this approach for the rest of the Portland region and the other urban regions in Oregon.

In addition to highlighting those implications for Portland, we also wanted to share staff perspective on some of the outstanding issues we see in the rulemaking, including what current proposed rules (or in some cases refinements to these rules) we think would be most impactful while still having a chance for garnering support across the diverse metropolitan regions of the state. While we have joined with other City and County colleagues in communicating some areas where earlier versions of the rule may have been overly prescriptive and risked duplicating existing processes, we would commend DLCD staff for engaging around these concerns and shifting to a more performance-based approach in most areas.

Overall, we want to emphasize that we support what the State is trying to accomplish through this rulemaking and think the rule is headed in the right direction. In addition to clear and aligned requirements across levels of government to be assessing and investing in ways that reduce reliance on the automobile, it will be important for the State to provide clear guidance and tools and the necessary funding support to shift practice in line with the new rules.

We particularly want to applaud the rules focus on making clear that the local/regional GHG targets are actually VMT per capita reduction targets, reflecting where local governments have the most influence over emissions (versus state or federal roles on vehicles and fuels).

While we appreciate the rules' focus on VMT reduction as a key performance measure and required target at the system planning scale for RTPs and TSPs. We are concerned that the rules support the appropriate level of local accountability since previous VMT performance assessment has shown that Portland is contributing higher reduction levels than neighboring jurisdictions and may need to be accounting for traffic generated elsewhere. These concerns also extend to how state-led projects should be assessed and accounted for in our plans and performance assessments.

We share DLCD staff's perspective that the current status quo of applying performance standards that tend to prioritize the fast and reliable movement of personal automobiles versus improving multimodal

access to opportunity and essential needs is undermining our ability to make progress towards achieving our greenhouse gas and VMT reduction goals in an equitable manner. Even as the CFEC rulemaking is looking to broaden the performance standards related to system performance (in RTPs and TSPs), plan amendments and other land use actions and development review, Metro and ODOT have also been undertaking a multiyear process to update the current Mobility Policy for the Metro region to be adopted as part of the next RTP update scheduled to be completed next year.

Modeling that we have been conducting jointly with Metro and ODOT shows that we cannot meaningfully advance toward City or regional climate, safety, equity, and mobility goals and targets without demand management road and parking pricing. A key part of the RTP work will need to be around scenario testing to demonstrate what level of road and parking pricing will be needed to achieve city and regional adopted climate targets and to incorporate these policies in to the RTP.

As Metro looks to update the region's Mobility Policy in the RTP, we look forward to the policy addressing the issues we noted previously, and then pivoting toward supporting strong implementation across the multiple planning scales to which it applies. This is another area where the state providing clear guidance and tools for how to implement these measures and navigate alignment within performance measures across jurisdictions will be important.

And, on the land use side, as the region moves through its next Urban Growth Management decision and the 2040 refresh, we see the need for updates to the regional functional plans to ensure implementation at appropriately ambitious standards for the performance of the region's Centers and Corridors, while acknowledging the role that the also market plays in realizing the desired land uses in our plans.

Commissioner Magnera has been on the rule-making committee. This is a different group than in previous iterations with more community input and participation, which is a welcome change.

Discussion

Commissioner Spevak: When DLCD adopts rules, if it does have 3 different options for parking, it would be great for the PSC to discuss with staff as we go into local implementing.

Commissioner McWilliams: Is there a statewide definition for displacement? Are there specific tools to address mitigation and what different opportunities are? These can vary drastically from place to place.

- Kevin: We have not established a definition in the rule itself. But we have a study being led by Dr Lisa Bates at PSU, an anti-displacement and gentrification toolkit, that we are using. Local governments will look at the potential for displacement impacts and offer mitigation suggestions before zoning is changed.

Commissioner Thompson: What is DLCD's role in advising Statewide transportation policy and projects?

- Bill: We are shepherds of the state's land use planning, but we are a very small agency. ODOT is the lead of course, and that's where the executive-level agency is responsible for state policies in general. ODOT is updating the transportation plan now. Then they will be going into a highway plan update.

Commissioner Spevak: Is there anything in Portland that could impact a freeway-widening project? Or is that all in ODOT's hands?

- Eric: The rule has some approaches about what would be mutually acceptable. How land use amendments could be affected by this is something we are looking at as a two-way process (hopefully). We will do what we can to have as many tools as possible.

Chair Routh: Simple versus easy... level of services to VMT reduction is a simple change. From the plan and policy to investment and funding starts to be simple but less easy. I look forward to hearing how the rulemaking can shift how we invest to meet our goals.

Residential Infill Project 2

Work Session / Recommendation: Sandra Wood, Morgan Tracy

RIP2 Amendment Package

Chair Routh turned the chairing role to *Vice Chair Thompson* for the Residential Infill Project 2 portion of the meeting.

Disclosures

Vice Chair Thompson: Several commissioners (Bell, Larsell, Thompson) disclosed that they owned property in a single dwelling zone where the RIP2 proposal will have an impact. I had some conversation with Habitat and Sightline about Amendment 5 since our last meeting.

Additionally, *Chair Routh* and Commissioners *Spevak* and *McWilliams* made the following disclosures:

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.

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.

Chair 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.

Staff is working off the memo from February 2 that has all the potential amendments listed. Morgan will share the overview of each amendment, then we will vote on each of the 9 amendments. Then we will vote on the entire package.

Amendment 8 (technical amendments)

Morgan noted these are the more technical amendments as is Amendment 9.

Commissioner McWilliams moved to approve Amendment 8 (8a-8o). *Commissioner Routh* seconded.

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

Amendment 9 (middle housing land division process amendments)

This is also technical, but they are specific to the middle housing land division procedures.

Commissioner Spevak moved to approve Amendment 9 (9a-9f). *Commissioner Magnera* seconded.

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

Amendment 1 (wildfire hazards)

Commissioner Magnera recused herself from Amendment 1.

Morgan: this is about the wildfire risk in the creation of the 'z' overlay. Removes from R2.5, R5, and R7 zones. The net effect is about 5400 additional parcels being pulled back into eligible lots for middle housing.

Commissioner Bachrach moved adoption of Amendment 1. *Commissioner Spevak* seconded.

Chair Routh appreciated everyone's contributions in this discussion. This is a precautionary principle, and I hope we can include a note about this in our transmittal letter for a more holistic conversation about how we mitigate impact of climate on all our communities across different outcomes.

Commissioner Spevak: I feel like we heard a lot of testimony, and this is not what people asked for. But to balance the equity implications versus providing more housing in those areas, I feel comfortable in this amendment. We are giving ourselves time to see new maps, do an equity analysis, and have more discussion then.

Commissioner Sheoships: This is a messier issue, and wildfire is a vast issue throughout the city. I think the costs and structural issues are a practical reason even without a perfect solution.

(Y8 – Bachrach, Gittemeier, Larsell, McWilliams, Routh, Sheoships, Spevak, Thompson)

Amendment 2 (detached duplex)

Morgan: This is the option for providing a detached duplex, amending the definition to be two separate buildings with two additional standards.

Commissioner Bachrach asked about the description that says the second limit has a 20' height limit. But the text says 25'.

- Morgan: We would change the description from 20' to 25'. An ADU can request an adjustment to height under current rules.

Commissioners Spevak moved the amendment with a friendly addition: with the addition that this type would not be allowed in the 'z' overlay. *Commissioner McWilliams* seconded.

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

Amendment 3 (flexible ADU; affects all accessory structures)

Morgan: This is the ‘cousin’ to Amendment 2. It provides for a bit more flexibility for all accessory structures.

Commissioner Routh moved Amendment 3. *Commissioner Larsell* seconded.

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

Amendment 4 (cottage cluster rules)

Morgan: This is a limited change to remove the requirement for one common area to serve all 16 units and revised pedestrian rules.

Commissioner Spevak moved to adopt Amendment 4. *Commissioner McWilliams* seconded.

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

Amendment 5 (affordable attached houses)

Commissioner Spevak recused himself from amendments 5 and 6.

Morgan: This created a set of standards for very small lots.

Commissioner Thompson noted why she’s not supporting this amendment. The amendment modifies proposals provided by affordable housing developers. We thought we were meeting them half-way, but I think some of the feedback that the alternative solution doesn’t add value but instead just adds code complexity. I support the approach to engage non-profit developers between now and Council to be more open to their requests.

Sandra: This additional approach would be staff-led. We know they will want to participate in the Council process, so we want to be able to support them in their efforts, which is something we do on the way to City Council usually.

Commissioner Bachrach was not comfortable with this amendment or the approach. I don’t want to be dipping back into work from RIP1 and we remember the process we’re in.

Commissioner Larsell: I just want to be sure the public knows more about the amendments from the commissioners who proposed them.

Commissioner McWilliams: Thank you to staff about being intentional about how we move this forward.

Commissioner Magnera: I also appreciate the hold on this amendment. This can be an opportunity to work with community to achieve the actual affordable housing requirements we want to address displacement in a meaningful way.

No PSC members moved to support this amendment.

Amendment 6 (4-plex FAR)

Morgan: We added a small increment of additional FAR for 4+ units on a lot.

Commissioner Bachrach: I originally supported this and hesitantly will still. RIP1 has only been in effective since August 2021. There are already 16 4-plexes, and that means RIP1 is producing results. The concept for the small bump in FAR is to encourage more 4-plexes, but the existing code is not prohibiting them. So do we need this?

Commissioner Thompson: With the lot coverage protections in place, we will be disincentivizing 4-plexes. More units is better, and we are still preserving affordability bonus with this.

Andrea: We don't think this is totally necessary right now. We are please to see so many 4-plexes underway, and we would prefer to work on this more and make adjustments as needed later.

Commissioner Thompson moved Amendment 6. *Commissioner Gittemeier* seconded.

Morgan: I wanted to provide some context. There is a bit of a problem to grant entitlements then pull them back later. Also, we are achieving larger 4-plexes with this.

Commissioner Larsell: The discussion is making me leery of this one as it doesn't seem fully baked, and I don't want to create unintended consequences.

Commissioner Gittemeier: Public testimony from non-profit developers requested this. But staff is saying it's already available. So what does this provision specifically do or not versus what is already included in RIP1?

Morgan: That came from the Homebuilders Association and Build Small Coalition. Creating a 3-plus bedroom unit within 1000 square feet is confining. There is benefit from affordable housing providers' standpoint for the diversity of options that can work in the 3500 square foot envelop.

Right now the FAR matches the three dwelling units. There still is an affordability bonus to give you more FAR. So it doesn't completely erode the affordability bonus.

Commissioner McWilliams: Could we see this amendment making the changes for the max FAR with bonus but leaving it as-is for the first part?

Commissioner Bachrach: As we went through the wars with RIP1, we never thought it would create lots of subsidies affordable housing. It was a way to get more density in the neighborhoods.

Commissioner Magnera: Could Amendment 6 be wrapped into the process that will be looked at in the Amendment 5 process?

(N8 – Bachrach, Gittemeier, Larsell, Magnera, McWilliams, Routh, Sheoships, Thompson)

Amendment 7 (reduce middle housing minimum lot sizes)

Morgan: When we were creating the lots size minimums, we had a parking requirement. The secondary issue is what this does to some of our RIP1 analysis. If the PSC goes in with open eyes that this could have some impact that we don't fully understand that is ok.

Commissioner Bachrach: You were originally uncomfortable with this change. What's the downside of doing this by dropping to a smaller minimum lot size?

Commissioner Spevak moved to adopt Amendment 7. *Commissioner Bachrach* seconded.

Commissioner Spevak noted that a smaller lot means less dwelling space. We also regulate by setback and height. So this scales the size of structure you can build, but if someone wants to show they can meet the demand and meet building code requirements, why not let someone do it?

(Y5 – Bachrach, Gittemeier, Routh, Spevak, Thompson; N3 – Larsell, Magnera, McWilliams,)

Final vote on RIP2 proposal

Commissioner Routh moved to (1) revise the staff report, code and commentary to reflect the PSC's adopted amendments and recommendation; and (2) recommend that City Council adopt the Residential Infill Project – Part 2 Recommended Draft Volumes 1-3.

Commissioner McWilliams seconded.

Many thanks to staff for all the work you've done in this compressed timeline – and testimony from the public that informed some of our amendments.

(Y8 – Bachrach, Gittemeier, Larsell, Magnera, McWilliams, Routh, Spevak, Thompson)

RIP2 proposal passes. In the interest of time, staff will work on drafting the PSC's letter, which will be shared for comment shortly.

Morgan: The key points we will highlight are (1) relief and celebration of moving this project forward and in compliance with the house bills; (2) PSC went further than just the minimum requirements; (3) struggles with the wildfire risk mapping; (4) Council should revisit this with respect for equitable outcomes with more data; (5) the affordable housing providers' input needs more discussion, so staff will continue to work with these providers for Council consideration.

Commissioner Bachrach: We touched on the land division process, but we didn't get into the nuts and bolts of that. I would like to see a comment about PSC not having time to work on the expedited land division process.

Vice Chair Thompson returned the chairing role to *Chair Routh*.

West Portland Town Center Plan

Work Session: Eric Engstrom, Joan Frederiksen, Cassie Ballew

Presentation

Chair Routh reminded the Commission about the previous hearings and work sessions, as well as the upcoming work session schedule for WPTC Plan.

Disclosures

Commissioner Magnera: Outside of the PSC, I do some advising and support for the SW Equity Coalition that has been engaged on this project.

Eric reminded the Commission of the past work already done for the project. Staff shared detailed language about amendments proposed from PSC members. Today we move to the rest of the amendment list to get through some of those today. Amendments 1 and 5 will be discussed at a later date. Amendment 11 is a list of technical amendments that we want to hear if anyone has concerns about since we intend to vote on this as a package.

Amendment 2 (RM1/RM2 design standards)

Joan walked through the amendment, which is a set of design standards (slide 4).

- *Option A – Pair down and modify this section
 - Remove front facade window standard
 - Remove exterior finish materials standard
 - Add a reflective roof standard
- Option B – Remove this code section entirely
- Option C – No change

Commissioner Spevak: I want to move Option A but need some clarification.

- Joan: We are using EPA-approved reflective materials.

Commissioner Spevak moved Option A. *Commissioner Thompson* seconded.

Commissioner Larsell: Where did these come from? Are they part of the community process?

- Joan: These standards were not specifically crafted with the community, but they are supportive of the goals the community has shared with us.

Commissioner Magnera: Is the intention to address heat island affect here? Do design standards here already include some elements of being solar-ready?

- Joan: The initial standards were around design and quality of buildings. Those are important but the PSC also had a great discussion about urban green features, and we want to include reflective roofing that applies in a larger portion of the town center to mitigate for future heat island issues.

(Y6 – Gittemeier, Magnera, McWilliams, Routh, Spevak, Thompson; N1 – Larsell)

Amendment 3 (design overlay)

The Design ('d') Overlay is applied to areas with mixed-use zoning, RM2 zoning, and to a limited number of RM1 sites that front on the Neighborhood Connectors that radiate from the town center. Discussion of the extent of proposed 'd' overlay mapping was requested.

The 'd' overlay is currently mapped to only the mixed-use zoned within the town center. The 'd' has been applied to the RM zones in the St. Johns and Hillsdale town centers, but not in the Hollywood, Killingsworth or Lents town centers.

- Option A – Remove 'd' from RM zones, retain only on CM zoned sites
- *Option B – No change

Commissioner McWilliams moved Option A. *Commissioner Spevak* seconded.

Cassie noted the design overlay input and understanding for Capitol Corridor. The Design Commission has been debating the Character Statement, so if you adopt Option A, this will be used just in higher-density zones.

(N – Larsell, Magnera, McWilliams, Spevak, Thompson, Routh)

Eric: The next work session will be on March 8. At the end of that session, if we make it through all the amendments and discussion, we will have a final work session and recommendation on April 12; if not, we will continue working through the amendments in April and delay the vote.

Commissioner Larsell: I put in for Amendment 9 to ask Council to hear from the community once a year as part of an update to them on how the project and outcomes are going. This is based on my work with the East Portland Action Plan and providing updates to Council about that Plan.

This is continued to the March 8 PSC meeting that starts at 12:30 p.m.

Adjourn

Chair Routh adjourned the meeting at 3:30 p.m.

Submitted by Julie Ocken