

Portland Planning and Sustainability Commission

Tuesday, July 12, 2011

12:30-3:30pm

Meeting Minutes

Commissioners Present: Andre' Baugh, Don Hanson (arrived 12:37pm), Mike Houck, Lai-Lani Ovalles, Gary Oxman, Michelle Rudd, Howard Shapiro, Jill Sherman (arrived 1:30pm), Chris Smith, Irma Valdez

Commissioners Absent: Karen Gray

BPS Staff Present: Susan Anderson, Director; Julie Ocken, PSC Coordinator; Eric Engstrom, Principal Planner; Alex Howard, Portland Plan Project Coordinator

Other City Staff Present: Kate Allen, PHB; John Gillam, PBOT

Other Presenting Guests: Jason Barnstead-Long, Portland Plan CIC member; Peter Stark, Portland Plan CIC member; Linda Nettekoven, Portland Plan CIC member; Gary Oxman, Multnomah County Health Officer; Maya Bhat, Multnomah County Health Department Research Analyst

Chair Baugh called the meeting to order at 12:32pm and provided an overview of the agenda.

Consideration of Minutes

06/14/11

Chair Baugh asked for any comments or edits by Commission members.

Commissioner Smith moved to approve both sets of minutes. The motion was seconded by *Commissioner Shapiro* and passed unanimously with an *aye* vote.

(Y7 – Houck, Ovalles, Oxman, Rudd, Shapiro, Smith, Valdez)

The Big Look Project

Action: Briefing

Kate Allen, PHB

PowerPoint: <http://www.portlandonline.com/bps/index.cfm?c=41664&a=357814>

Documents: PHB Strategic Plan <http://www.portlandonline.com/phb/strategy>

The Big Look Policy Review Committee started fall 2010 as a response to City and County audits in 2007 of the Limited Tax Exemption (LTE) process. LTE “lived in” at least 2 City bureaus, as well as with County assessor. Mayor Adams charged Commissioner Fish with the leadership of LTEs, pulling everything under the work of the Portland Housing Bureau (PHB).

The scope of the work has primarily been residential programs, which need to be better aligned with the City’s housing programs. There has been a historical hang-up due to the need for code clean-ups to align the work and exemptions. Early 2010-fall 2010 was the City/County workgroup - ongoing function (BPS staff included).

Commissioner Fish & County Chair Cogen are the co-chairs of the Committee. Commissioners Fritz and Kaufory, as well as real estate development professionals including Jill Sherman, representatives of David Douglas School District and Portland Public Schools round out the Committee. The Committee:

- Review current programs (EcoNW report, Annual LTE reports, staff reports)
- Review & approve shared program goals
- Discuss and develop recommendations for program changes

The Purpose of The Big Look work is to review and align residential LTE programs with City and County housing and community goals including:

- Portland Plan
- PHB Strategic Plan
- City/County shared Housing/Community goals

Timeline

- February 2010 – commence staff work group meetings - administrative process, code clean up
- October 2010 – commence Fish/Cogen Policy Review committee
- July/August 2011 – conclude Review Committee process with recommendations
- Sept/Dec 2011 – Review recommendations, meet with PSC, Council, and County Commission to adopt program changes; develop legislation if needed
- Nov/Feb 2012 – Legislation to Salem if any

The County can see exemptions as foregone revenue; the City uses exemptions to incent housing activities that may not happen otherwise, using the tools to affect the kinds of housing we want to see developed by the private sector.

LTE Big Look City/County Shared Policy Goals

GENERAL/ASPIRATIONAL (aligned with HUD Livability Principles)

- Strategically incent production of the quality, quantity and location of affordable housing that the market may not otherwise provide
- Influence and manage growth, density and land uses
- Target development assistance to increase social equity and reduce disparities, improving access to amenities (transit, sidewalks, schools, healthy food, parks/recreation, services, etc) and increasing affordable home ownership in neighborhoods with amenities
- Increase housing with amenities for families with school-age children, people with disabilities, and for an aging population (affordable accessible design for low-income seniors)
- Encourage development of uses in residential buildings essential to livable/walkable communities (such as grocery stores in recognized “food deserts”)

OPERATIONAL

- Fiscally sustainable (administrative costs) programs with accountability and monitoring
- Cooperative relationship among administrative staff across the jurisdictions
- Fiscal awareness (by program) with cost controls of abatement “investments”
- Annual report of programs *against benchmarks*
 - foregone revenues,
 - housing goals advanced, and
 - forecasted growth in taxes as abatements expire
- Predictability for developers so they can plan future projects
- Nimble programs responsive to current conditions, adaptable for future needs
- Limit use of LTE programs when other development tools can be used

School districts have a share of any foregone revenue made up by the State fund, but there still is an impact.

Commissioner Smith: We’ve had school districts vociferous in this process. Even if on operational side the State makes up the foregone revenue, when we do a capital bond, there is no relief for this.

The LTE Investment by Program graph (slide 10) shows a decline from 2007-08 (the program high) to 2009-10, much due to lack of development and the 10-year exemptions finishing. This is just production and foregone revenue numbers, not a question of the programs' effectiveness. For TOD and new Multi-Units, the Big Look process is looking at combining the programs since they are very similar.

Overall homeownership goals for the City are to increase opportunities for minority buyers in high asset areas, which may be out of synch with where we might want to incent growth.

Non-profit LTE investment is the biggest and most costly program b/c lands most squarely on shared goals of City and County.

LTE is a relatively small part of the PHB budget. Housing development is the largest budgeted area of PHB spending to ensure we are not losing on housing stock. Homeless services funding has been fairly static in the past few years.

Commissioner Valdez: We should try to change that homeless services funding number in the downward direction. We can't afford for that number to get bigger.

- Kate: emergency services are funded out of the safety net agenda. PHB certainly wants to push this.

Commissioner Valdez: 13% homeless services is alarming. At some point, we'll have to push the Economic Opportunity Initiative funds to help people.

Commissioner Shapiro: In terms of social justice, where does the \$70m tax increment financing funding go?

- Kate: This is all "sticks and bricks". The additional is Federal funding that goes to complete the housing. Preservation and creation of affordable housing is a key PHB goal.

Commissioner Smith: LTE doesn't show up in the budgeting or in the PHB budget. How do you communicate this to the public?

- Kate: One of our recommendations is to normalize resources and have them available through the same window to create a transparent, accountable processes.

Looking at FY2009-10 through FY15-16 forecast, we see the "TIF [Tax Increment Financing] cliff", which affects the development commission at 70% and the bureau at 30%. TIF funding for FY12-13 is only half of what it has been the past few years, and that trend holds through FY15-16. Some districts look marginally better in those later years, but they still are heavily affected.

Policy Review Committee Preliminary Recommendations (for discussion)

SINGLE FAMILY NEW CONSTRUCTION (SFNC)

Establish NEW guidelines for program to advance City Homeownership Goals

- Affordable Homeownership in "High Asset" areas - areas with high amenities (transit, jobs, walkability, HCN, hubs)
- Foreclosure resale

Commissioner Valdez: We discussed the PDC URA expansion of the Interstate area last meeting. A testifier made a good point that commercial development is in PDC's hands, but home ownership is through PHB. How do we inspire the working poor to get motivated to buy a house? There are affordable homes today, and we are missing an opportunity that won't be here in a few years.

- Kate: PHB goals are to stabilize existing neighborhoods and people in their housing; we're forward-looking and looking at anti-gentrification. Yes, programs could get more "air time" to help those who could realistically afford a home today.

Commissioner Houck: Parks, sidewalks, etc are listed as amenities. I don't know what you all feel about the other items on this list, but parks are an essential urban service, not an amenity. The language we use matters. Parks are now considered an infrastructure bureau in the city which means they have been elevated in status to essential urban infrastructure, not an extra frill.

My second point regards the 6% in the pie chart, Homeowner Access. Is "homeowner access" similar to the work the Portland Housing Center does by providing information to people who would qualify for home loans if they knew the process. My understanding is there are many people out there who, if they knew the system and received homeowner education, they could get into their first home. Money spent on those types of programs would be a big bang for the buck.

- Kate: Yes, this funding is homeownership access. There are currently some challenges including: 1. the need for keeping people from becoming homeless, so flexible funds have been going there; and 2. the color of money issue. But when we have more flexibility of homeownership dollars, this is a priority of PHB.

Commissioner Houck: I see Metro is listed. Back in 1992 when Metro started its 2040 planning insisted housing was not on their agenda. It was only after the Coalition for a Livable Future worked with Metro that a regional affordable housing taskforce was created. You say you have a potential agenda in Salem, but where is Metro on affordable housing as a regional priority? Where does Metro fit into your planning. For example, is mandatory inclusionary zoning on the table again?

- Kate: We're looking at the Metro 2040 goals and Portland Plan/Comp Plan to bring these programs into response for density as prescribed in these plans. We need to align all the goals to work with all the successive plans.

Commissioner Smith: How do you strike the balance to create housing and promoting income diversity in all neighborhoods?

- Kate: Regardless of income, people should be able to choose close to where they have services. We don't have that, and increasingly that affects communities of color. PHB needs to address the disparities. The cost for a contractor in, for example, Powelhurst Gilbert is "his best math", but it's not necessarily best fit to advance social goals. We are addressing this.

Susan: Is there an opportunity for a partnership with banks and others? That would create a huge private/public benefit.

RESIDENTIAL REHABILITATION

Suspend the Portland Residential Rehab LTE

Research viability of revised or new program to support City housing goals:

- Anti-Displacement/Neighborhood Preservation/Senior home retention
- Weatherization/Energy Efficiency for low-income

New Multi-Unit Housing/Transit Oriented Development (NMUH/TOD)

Revise existing and/or establish NEW guidelines for program to advance Housing and Communities Goals:

- Combine the NMUH and TOD programs
- Align program to advance housing affordability & community livability - Portland Plan/Metro 2040/Sustainable Communities Opportunity Mapping
- Consider limited duration exemptions for public benefits tied to development of Healthy Connected Neighborhoods/Hubs

PROGRAM ADMINISTRATION

Continue collaborative efforts underway with City/County Work Group to improve accountability and efficiency in program operations

Establish targets for sustainable program administration (PHB Exec Team) and identify strategies to achieve for 2011-12 budget:

- Consider annual cap on # of applications accepted by program
- Establish City/County cost basis for fee increase, review for reasonableness, adopt

Commissioner Shapiro: Developers have asked for tax exemptions where it is a disadvantage for schools. It sounds like we want to spread this around a bit more. What do we do with developers asking for exemptions versus not depriving school districts of funding?

Chair Baugh: What would be helpful is a distribution map of where the LTE units are. We should be able to plot an expiration date on a year-by-year basis. If you built that model, you would know the buildable rate almost every year.

- Kate: The information exists in the EcoNW report for each program. Regarding looking at trending, this would be reviewed in the Program Administration - annual cap section.

Chair Baugh: Perhaps the phrase “equity location” would be helpful to parse out the “asset” notation, and the phrase mirrors the Portland Plan language better.

- Kate: We have much discussion about opportunity mapping to be able to map what is in an area and what is missing.

Commissioner Shapiro: There are areas where we have over-built tax exemption housing. Is there a possibility to say at some point, we (PHB) are not putting more funding into these over-built areas?

- Kate: The previous location policy affected areas, so this old policy didn't quite work – it is more than building the affordable housing versus what amenities are there. We are talking about single-family program being redefined so we don't build in areas lacking areas. Developers who are currently coming to PSC are sitting in this period when we've been looking at the programs but don't yet have new guidelines. Ultimately, we want to clean up what is/is not on the table for the developers.

Commissioner Oxman: For housing in East Portland – this is still as State statute. Is this something that the process is looking at and likely to come out to bring to State this February?

- Kate: Yes, specific to single-family housing units. This would take a legislative change. There are fewer statues around TOD and other multi-family units.

Commissioner Shapiro: More and more people are renters. Is there an aggressive program around rentals?

- Kate: All other programs (non-single-family) are primarily rentals.

Next Steps:

- August/Sept - Policy Review Committee refers to Council
- August/Sept - Staff working designs implementation
- Oct/Nov - City/County take legislative actions needed
- Feb 2012 - Legislative agenda if needed

Health Impact Assessment

Action: Briefing

Gary Oxman, Maya Bhat

Documents Distributed:

PowerPoint: <http://www.portlandonline.com/bps/index.cfm?c=41664&a=357815>

Overview

- Introduction: how the built environment influences health
- Defining “health”:
 - Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity. (WHO)
- Health impact assessment
- Other ways to incorporate health into planning

In the US, we are driven by the importance of health care and medical treatment. But for most people who are relatively healthy, health is not about medicine.

Determinants of health include:

- Social/economic factors (40%) – income and education level
- Health behaviors (30%)
- Environmental exposure (10%)
- Clinical care (20%)

The built environment influences health in a large variety of ways. Outcomes (physical well-being, mental well-being and social well-being) are all impacted by the physical environment. They also impact our health choices via how accessible things are.

The connection between the built environment and health is well-recognized in Portland, but it’s still early in knowing if our urban planning choices are helping or hindering health outcomes. Answers can be seen using a health impact assessment; the other end of the spectrum is that these health connections are routine considerations in planning cycles (like in the UK, Austria, New Zealand and other countries).

Health Impact Assessment (HIA): “a combination of procedures, methods, and tools by which a policy, program, or project may be judged as to its potential effects on the health of a population, and the distribution of those effects within the population.” (WHO)

HIA major steps:

1. Screening to determine whether HIA would be useful for a given project or policy.
2. Scoping to identify which health effects to consider; may include the most severe problems, most concerning to citizens, etc.
3. Assessment – identify which populations may be affected and the nature, magnitude, severity, and likelihood of health effects. This is the most resource-intensive portion of the HIA.
4. Recommendation – suggest changes to proposals to promote positive or mitigate adverse health effects.
5. Reporting – present the results to decision-makers
6. Evaluation – determine the affect of the HIA on the decision

Resources needed for an HIA are variable:

- Time commitment can range from 2 weeks to 1 year
- Financial commitment, from \$10,000 to \$200,000

HIA challenges:

- Who undertakes this work? (public health department? urban planning? advocacy?)
- Lack of local data and small-area models
- Collaboration between sectors
- Difference in language/jargon in planning and public health
- Decision making timelines requiring quick turn around
- Funding

HIA and Environmental Impact Assessment (EIA) comparison:

- An Environmental Impact Assessment (EIA) is required by National Environmental Policy Act (NEPA) for projects requiring federal funding or action with potential for significant environmental impact.
- EIA - typically focus on environmental effects rather than human health effects
- HIA - could be a complement to EIA/EIS or a stand alone process/report.
- EIA is required for some projects – for projects requiring federal funding or federal action; HIA is always voluntary
- Both focus on equity

Health and Equity in Routine Planning Activities

- Alternative to project/policy specific HIAs
- Incorporate goals, objectives, performance measures to improve health and equity through planning process at all levels (corridor, city, county, region etc). This is being done in UK, etc, by incorporating into Comprehensive Plans
- Affects all projects and policies developed pursuant to these plans

In our region, we have already seen some planning work that includes a health component:

- The Portland Plan is talking about Healthy Connected Neighborhoods; the Equity Initiative is the underlying connection throughout the Plan.
- Metro RTP and Gresham TSP Update are also focusing on similar initiatives.

Commissioner Smith: I'm interested in thinking about how we operationalize this in our planning in the City. Not just health – things such as economic opportunity, jobs, etc should be included in our work. Those of us who have been through Federally funded transportation projects have questioned NEPA. How can we voluntarily adopt these practices and have an overall “scorecard” of things? It's a question of setting up the right performance measurements – how can we make that part of our day-to-day work?

- Maya: Healthy Urban Development unit from London has developed a check-list to review the health impact of planning proposals. It checks for things like how the development meets service needs, transportation, walkability, etc. At the end of the form, there is a score / percentage area.

Commissioner Oxman: Regarding “bureaucracy” – part of the answer is around setting up systems within to make sure things happen. Another approach: what gets measured gets done. At the County, every manager has an equity-based goal, so in performance evaluations, we are measured on how we think about equity and incorporate it into our projects. It works.

Commissioner Houck: Regarding the 1990s reference of doing surveys including access to nature, you are actually looking at the interaction of the built and green environment. We know that relates to psychological health as well as physical health when green is incorporated into the city and it's accessible.

Commissioner Hanson: There is certainly a role for NEPA. A Strategic Environmental Analysis is also used in the UK and Middle East. If you look at the process, there may be some simplistic criteria from that so you wouldn't have to do an intense analysis for every projects.

Commissioner Oxman: Making the healthiest choice the easiest choice is the goal.

Susan: How do we incorporate some of these ideas into impact statements for projects that go before Council? At the PSC retreat, we can discuss the question of how we take what we're doing in the Portland Plan to enhance the financial impact statement – so people aren't just checking off boxes when taking projects forward.

Commissioner Smith: An objective would be to maximize the informative nature of the work.

Chair Baugh: On specific projects (e.g. Sellwood), how were the recommendations that came out of those incorporated? Were they?

- Maya: We are still in the process of seeing where these recommendations go for that specific project. These were mostly around bike/pedestrian changes. We also pushed for clean diesel in construction of the bridge.
- *Commissioner Oxman*: When you do the HIA, you make the impact via the value proposition so you can have a more rational discussion about the costs.

Portland Plan: Community Involvement Update

Action: Briefing

Jason Barnstead-Long, Peter Stark, Linda Nettekoven, Portland Plan CIC members

Documents Distributed:

- Portland Plan Phase III Public Participation Progress Report Executive Summary

Outreach, education, involvement: The Portland Plan used new ways to engage the community in Phase III. The video (http://www.youtube.com/watch?v=-pUjE_dwC0Q&feature=youtu.be) highlights the variety of outreach work in this phase.

A full Phase III evaluation will come to the PSC from BPS staff in the near future.

Phase III Fairs – CIC members were very involved in these; they helped in planning, identifying resources, participating in and staffing the events. They helped create a sense of community for all attendees. Community assets were highlighted at each fair through the chosen vendors, tabling groups and entertainment.

In addition to the fairs, the CIC and staff met with 105 groups in Phase III, a total of 1740 residents. Staff went to people in the community to meet people where they were comfortable. Staff has been aggressive “in a good way” in making connections throughout the community. But we are still not sure how to get to people who are not connected to the Plan better involved.

Challenges still include:

- How to lay out specific actions in the plan – being specific but not overwhelming for people to understand
- How to help less-involved Portlanders see that the Plan will affect them, their families and their lives

Other things in response to the plan (themes):

- People are worried about how we pay for things, get the concepts into the budget process and so the Plan doesn’t just end up on the shelf.
- “Plan fatigue” – how do we keep the energy moving forward as we get to the details? This is especially a challenge for the DCLs partners – the groups already have full agendas, issues and limited resources.

The Plan staff and CIC has been able to broaden and deepen connections, but there is still lots of work to be done. Finding finances and political will during the Comprehensive Plan process and beyond will be primary.

CIC is the eyes and ears of Portland’s diverse communities. The heart of the equity piece is to ensure the perspective of all Portlanders are accounted for in the Plan and what it lays out for the city for the next 25 years. Though there has been success in outreach, it’s clear the majority of citizens are still unaware of efforts of the Portland Plan.

The CIC feels many citizens would be interested if they were aware of the process. CIC has suggested a simple yet compelling message during the next months, for example something like

the Timbers' 1-2 word banner that gets moved around to various locations in the city to get the word out and make people aware.

Equity: this overarching concept is being addressed in the process via groups and community members. But while equity is difficult to define, it is even more difficult to provide.

Commissioner Shapiro: The CIC membership does show the face of Portland. The tenor running through the meetings is that we are not reaching out far enough. We want to ensure the Plan is widely contributed to and understood.

Chair Baugh: The CIC executive summary highlights increase in involvement from communities of color in Phase III is notable.

Commissioner Rudd: You should also consider working with schools and student projects as a way to engage parents.

Commissioner Oxman: What was people's level of understanding and support for the Plan?

- CIC members: It's varied — there is some concern and some felt moving in the right direction. Staff has survey results, which are worth looking at. The online survey specifically for businesses provided ideas about how we are engaging and what we might do differently. The last fair had a hands-on approach, which was very engaging for participants. One-on-one conversations with staff were affective as well.

Commissioner Sherman: Will we get a briefing about responses/public comment?

- Susan: You have gotten some from the previous stages. We do have raw data from each stage that we can provide too. The CIC, because of the group's diversity, really improved the quality of our outreach. We've found the need for both interactive workshops as well as meetings with small groups in their locations. Those meetings — when groups are around their peers are good, but they are not hearing challenging opinions, so we don't get the balance within the individual meetings. The draft plan will be an opportunity for many more people to comment later this summer.

Portland Plan: Buildable Lands Inventory

Action: Recommendation

Eric Engstrom

Document: July 12, 2011 Memo: Factual Basis — Buildable Lands Inventory and Background Reports

PowerPoint: <http://www.portlandonline.com/bps/index.cfm?c=41664&a=357816>

Today's memo from staff has responses to both BLI and Background Reports Set #2. Staff will ask the PSC for two separate actions today, the first of which is to finalize consideration of Residential BLI and recommend it to Council to adopt as part of the Comprehensive Plan workplan.

For background:

- Oregon requires periodic update to Comprehensive Plans
- Portland's adopted periodic review work plan extends through late 2012
- The BLI is a modeling exercise to determine capacity for jobs and housing under current regulations, recent market trends, 'constraints' and planned infrastructure
- Must use Metro forecasts for jobs and housing

Eric reminded the Commissioners that forecasts are not targets. They are used to help make informed decisions when planning for infrastructure, services, and managing land to support jobs and housing. Additionally, the basis for analysis is the current Comprehensive Plan, looking

at types of housing allowed under the current plan. The goal of the BLI is to identify vacant and underutilized land while referring to a series of constraint overlays.

“Constrained land” is a term to identify physical, regulatory and/or market factors that limit future housing and jobs. It does not imply factors are undesirable or negative (e.g. rivers and natural areas).

Changes since December’s BLI work before the Commission, staff has:

- Added layers of maps including air quality, earthquake hazard, potential landslide hazards.
- Added private common open space, institutions
- Adjusted some capacity on Hayden Island and constraint factors
- Added a “tipping point” constraint: if 4+ constraints on an area, would add another constraint level
- Refined the explanations/report
- Completed technical methodology report

The context is in trying to figure out if we have capacity for expected growth Metro has forecasted. The general conclusion is that we have capacity overall; again the reminder is that these are not desired outcomes, just theoretically what is available in terms of capacity.

- We have sufficient planned/zoned capacity to meet Metro’s high growth forecast
- Only 15% of capacity is single-dwelling
- 19% of capacity in Central City
- Some local capacity shortfalls may exist for some housing types, in some neighborhoods

Clearly if you ignore constraints, there is much more capacity. We have somewhere between just a little more headroom (for 100,000 new households) to about double capacity. This is not market-realizable, only what is currently zoned. Market analysis will likely be closer to just over enough versus double.

Commissioner Hanson: The market will push numbers down, so the cushion feels appropriately.

Comments about constraints were received at the 06/28/2011 PSC hearing. Staff noted 3 errors in the constraint data, which will be corrected prior to bringing the report to Council. Another constraint was the mapping of private open space. Also, the model was built before the Irvington Historic District designation, so that will be updated. And the FEMA flood plain was inaccurate on some maps – it does have affect on capacity.

Also, comments questioned the growth forecast. This is a Metro decision, so we are planning by their lead. We do have confidence in their numbers based on: 1. capture rate – over time (residential) has been growing over time with more residential development in close-in neighborhoods within city limits. 2. This is a long-term projection, so the business cycle may go up and down a few times. We would expect this continue in the next 25 years as projections show.

Single-family versus multi-family capacity will be part of analysis upcoming. We will create a default scenario, which will show specific housing types. Single-family has been dominant in Portland historically, but building permit records show it is increasingly smaller. Only 28% of new housing in last decade has been single-family.

Chair Baugh: is that a result of land availability?

- Eric: No – for example, Pleasant Valley is underdeveloped, single-family. Ease of development and market/demographic trends play into that.

Commissioner Rudd asked about how ADUs are treated in the BLI.

Eric: ADU capacity: We are leaning towards defining ADUs (accessory dwelling units) as a part of multi-family development. The capacity for them is pretty large in terms of zoning, but what we have looked at is the likely production. Historically it has been 1%; last year was 5%, and in some neighborhoods 20%. Generally, ADU building looks to be on the increase.

Climate change and peak oil in capacity assumptions: The model doesn't build this in, but we have talked about the potential capacity in terms of taking more sensitive lands off-line. Changing migration patterns could mean greater growth for Portland. We don't know about meteorological events that could cause people to move and/or if Portland would be on the receiving end as Houston was after Hurricane Katrina. We can look at growth rates if there is a major change/influx. Regarding peak oil's potential impacts on the model, this could affect transportation costs, which would change type of development that happens in the city (more in the central city). This would increase the central city's capture rate and attractiveness for development.

A final concern about the BLI from testifiers was about how we're treating historic districts. We did put a historic constraint level in, but the question was if we do more. We can look at this in growth scenario work.

The next steps in the fall of 2011 include: any needed technical corrections; providing the Employment Opportunity Analysis and employment capacity results in the fall; and to reconcile when Metro forecast numbers are updated.

Commissioner Smith moved to finalize consideration of Residential BLI and to recommend Council adoption for delivery to the State as part of Periodic Review (Task 2, Factual Basis). *Commissioner Shapiro* seconded.

(Y6 – Houck, Oxman, Rudd, Shapiro, Sherman, Smith)

Portland Plan: Background Reports Set #2

Action: Recommendation

Alex Howard

PowerPoint: <http://www.portlandonline.com/bps/index.cfm?c=41664&a=357816>

The Portland Plan background reports provide background for making future policies and identifying future actions and provide factual basis for Periodic Review and the Comprehensive Plan.

20 initial reports have been created by staff since December 2009. The information has been made available at more than 75 community meetings and workshops and online. The PSC held a series of hearings in 2010 about the reports.

Last December, PSC recommended adoption of 12 reports. The Commission also recommended incorporation of other reports and the incorporation of 8 reports by reference (prepared by non-Portland Plan staff).

4 new reports were released spring 2011:

- Housing supply and affordability
- Modern historic resources of East Portland
- Historic resources 4: Additional East Portland Information
- 20 minute neighborhood analysis

Minor revisions to the Watershed Health report were made in spring 2011 as well.

Watershed Health was the background report that received the most questioning. Comments included:

- Trade-offs between watershed protections and economy not sufficiently addressed
- Differentiate among restoration, rehabilitation and protection
- Address Harbor Superfund Clean-up
- Focus on increasing density and increasing land use efficiency to address watershed goals
- Address river-dependent uses and other industrial business needs

Staff proposed they would revise the Watershed Health report to address issues such as Harbor Superfund Clean-up, to clarify terms and to provide additional information about industrial land issues and bring back this fall to the PSC.

Commissioner Shapiro: Have you taken into account the Big Look work in the housing reports?

- Eric: There are not specific which recommendations that relate to the housing reports. For the Comprehensive Plan, we are looking at current state land use goals – we know we need to align with these. The Big Look has not yet landed on recommendations, and those will be for future policy.

Commissioner Sherman: These are background reports, showing where we are today. The Big Look is looking at existing policies that can affect the future, so these are separate.

Chair Baugh: Regarding residential capacity, is there close coordination with the policy coming from PHB?

- Eric: Yes, we agree. That is why we're building the model to break down looking at capacity in different housing types. This will ensure we are consistent with PHB work and how we move forward.

Commissioner Houck: I'm uncomfortable with pushing Watershed background report decision off. There was no oral testimony, and the written testimony was not persuasive to me. I would make a motion to include this with the rest of the reports today.

Commissioner Rudd: Is the argument that there is not sufficient discussion around today's policy not creating enough constraints? Is there a factual piece missing? I don't have a concern moving it if staff feels they can add going ahead. Were the concerns with the Watershed Health Report that the current report did not adequately capture what the commenters believed to be the extent of current constraints on development?

- Eric: The language in the report could have been clearer to acknowledge more context for some of the findings.

Chair Baugh: Are these more technical changes you would be doing versus changing the basis of the report?

- Alex: The issues addressed in the testimony letter have been in the report since 2009.
- Eric: Any changes would be technical and some with policy implications.

Commissioner Smith: Can we direct you to make corrections before taking to Council but go ahead with the approval today?

Chair Baugh: In terms of technical corrections, those would be made in the same time frame regardless of passing now or in fall, correct?

- Eric: Yes, we will bring all the reports to Council in late 2011 as a group.

Commissioner Smith: The 20-minute neighborhood report has the feel of a working document report that people will use in making planning choices. What/how will that evolve into the Comprehensive Plan development?

- Eric: The report is intended as a snapshot, but it is similar to the indicators work that will be online as a "living document".

Chair Baugh: The 20-minute analysis is fascinating. The ability to add that and to connect with other bureaus with capital plans to look at deficiencies could be combined with other reports to get to a neighborhood looking at how it can improve itself. “Can you get an app for that?”

- Susan: We are thinking about something like a MyPortlandPlan. The documents we approve are a snapshot, but we’re continuing to learn along the way. As new information comes up that makes old information wrong or affect policy issue, how do we deal with that?
- Eric: We’re in a once in a generation process of Periodic Review, and it has us make a snapshot. We can’t have rolling updates forever, but in Periodic Review, we do want to keep things factual. A post acknowledgement plan can help roll in updated/new facts. The Portland Plan is the basis to keep track of the facts and respond to policies going forward.

Commissioner Rudd: I would expect City Council to expect that what it sees forwarded by us is in a form that we approved and asked that if we weren’t going to have the Watershed report come back before us, it was clearly flagged with the changes that were made after we approved.

Eric: Council will receive a final version of the reports with a record about what we’ve changed over time. Housing Analysis and Economic Analysis have to be well vetted, and we have to account for any major changes between now and when Council adopts the reports. We will flag edits.

Commissioner Houck moved to recommend the Set #2 Background Reports to the City Council for review and approval as part of the factual basis of the Comprehensive Plan. This includes adding back in the Watershed Health report with a note to staff to update it and highlight the changes before the reports go to Council.

Commissioner Sherman seconded.

The Set #2 Background Reports the PSC recommend to Council include:

- Arts and Culture
- Historic Resources 2: Data and Maps
- Housing Supply
- Housing Affordability
- Housing Demand and Supply Projections
- Urban Form
- Watershed Health
- *And the 4 new reports*
 - Updates on Key Housing Supply and Affordability Trends
 - Historic Resources 4: Additional East Portland Information
 - Modern Historic Resources of East Portland
 - 20 Minute Neighborhood Analysis

Commissioner Smith moved to recommend the 11 background reports as well as the East Portland Historical Overview and Historic Preservation Study and Appendices (March 2009) by reference to Council.

Commissioner Shapiro seconded.

(Y6 – Houck, Oxman, Rudd, Shapiro, Sherman, Smith)

Director’s Report

Susan Anderson

- There will not be a PSC meeting on 07/26. The next scheduled meeting is 08/09, with the officer briefing on 07/28. Staff will send a note to Commissioners with information about the upcoming meeting changes.
- Portland Plan timeline – before the end of July, the draft plan will be available. We will meet with groups throughout the summer prior to the 3 PSC hearings in the fall. Potentially 2 of the hearings will be held in the community, likely with all topics being discussed at all meetings. At the end of each session, we will allot time for a wrap-up by PSC members to discuss what you heard at the individual session.
- Today we met with OMF to discuss taking the Portland Plan as the basis for the City's budget going forward. We will have series of meetings to ensure the Portland Plan work feeds into the budget process. We could also discuss the potential to ask OMF to come to the PSC to discuss how that will work with the budget process.
- River Plan – as you know, the River Plan was remanded to City. We need to finalize the economic opportunity analysis via the Comprehensive Plan, so we will put off taking back River Plan until the Comprehensive Plan is set. This also gives us some time for further discussions with the community to work out a plan that won't be appealed. There was just a little follow-up requested from the court of appeals. We will keep current rules about the Willamette River Greenway until new River Plan is approved.
 - *Commissioner Shapiro*: Are you networking with the business alliance and those who were strongly against the plan? Susan: Yes, absolutely. We are looking at non-regulatory mechanisms as well.
 - *Rudd*: Was UP part of that discussion? Susan: UP's plans are on hold, but for other reasons.

Commissioner Sherman: This may be last PSC meeting for a bit. I'll be on [maternity] leave for 3 months, returning to the Commission in November.

Chair Baugh adjourned the meeting at 3:41pm.