

Portland Planning and Sustainability Commission

Tuesday, September 27, 2011

6:00-7:15pm

Meeting Minutes

Commissioners Present: Andre' Baugh, Karen Gray, Don Hanson, Mike Houck, Gary Oxman, Lai-Lani Ovalles (arrived 6:20pm), Michelle Rudd, Howard Shapiro, Chris Smith, Irma Valdez

Commissioners Absent: Jill Sherman

BPS Staff Present: Susan Anderson, Director; Julie Ocken, PSC Coordinator; Uma Krishnan, Demographer; Sandra Wood, Supervising Planner

Other City Staff Present: Kate Allen, PHB

Chair Baugh called the meeting to order at 6:04pm and provided an overview of the agenda. *Commissioner Smith* requested that the **Consent Adoption of Commission Bylaws** item be moved from the Consent to the Regular agenda.

Items of Interest from Commissioners

Commissioner Houck: Met with the Portland Transitions citizens group at the showing of the film *The Nature of Cities*. The group is interested in connecting with the PSC regarding the Climate Action Plan and the Portland Plan, especially looking at the advantages of green infrastructure a the film showed. The documentary's producer may again be in Portland in mid-January to do an Illahee lecture, so we can look to see if the timing can work with a PSC meeting.

Commissioner Shapiro: The Portland Plan Community Involvement Committee met to review and discuss the Portland Plan. They are an engaged group and want some regularly-scheduled appearances before the PSC going forward. Staff will work on this scheduling.

Commissioner Smith: The Barbur Concept Plan had its first meeting of the Community Working Group and also has done two neighborhood walks in the beginning outreach stages of the project.

Commissioner Hanson: The West Hayden Island (WHI) Advisory Committee reviewed the consultants' conceptual design options last week. The group provided input, and the consultants will refine the plans over the next month before they return to the advisory committee.

Commissioner Rudd: The LEAP meeting met and had a variety of presentations about how different agencies would work through emergencies; hospitals, Union Pacific, and others were represented at the meeting. Also, the Development Regulatory Advisory Committee (DRAC), which meets with BDS on a monthly basis to make the development process more community-friendly and how to talk about how people see the economy evolving. In their recent meeting, they raised concerns about the challenges to having the right people at the table and that banks are still slow to led people money at the early stages of development. How might the PSC play a role in this?

Director's Report

Susan Anderson

- The WHI concept plan is available on the BPS website. What we're likely to come up with is a version that pulls pieces from both given plans. There will be open houses on

- October 12 and 15 as well as a joint meeting of City Council and the Port Commission on October 12.
- Barbur project is formally kicking off a series of community events starting tomorrow, then continuing on Oct 1, 8 and 22.
 - Last Friday, bureau directors and commissioners Fritz and Saltzman met with the Confederated Tribes of Grand Ronde. This was the first high-level government-to-government meeting with City of Portland leaders. Both groups voiced similar concerns - relating to economic development, social and environmental issues - and made connections. There is also an Indigenous Land Use Group to connect urban Native Americans and how the City can work with them in different ways (e.g. better communications).
 - Happy Birthday to Commissioner Karen Gray.

Consent Agenda

Consideration of Minutes

From 09/08/2011 and 09/13/2011 PSC meetings

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

The Consent Agenda was approved with an *aye* vote.

(Y9 – Gray, Hanson, Houck, Oxman, Rudd, Shapiro, Smith, Valdez, Baugh)

Regular Agenda

Adoption of Commission Bylaws

Action: Decision

Sandra Wood

Documents:

- Bylaws Memo
- Draft PSC Bylaws

The Commissioners had reviewed the draft Bylaws at their retreat on September 8th. The outstanding question was about if, when less than a quorum is present, the remaining Commissioners can and/or would like to proceed on with a meeting to hear staff briefing items.

Staff presented two options:

- Option One: loss of a quorum results in an end to the meeting.
- Option Two: loss of a quorum results in a cessation of a hearing or work session, but Commissioners could remain to hear briefing items. This small group would not be considered a meeting of the PSC at this point without a quorum, so meeting minute would not continue to be taken.

The question about if the Commissioners remaining after quorum is lost could convene as a sub-committee of the Commission so there is a public record and available to the public after was discussed.

- An ad hoc committee (as described in the zoning code) notes the PSC may create sub-committees assigned for specific project. Three people constitute a quorum for a sub-committee. Minutes could continue and include points raised by people testifying. Chair would advise testifiers that they are not presenting to the PSC, but to a sub-committee.
- Need some guidelines about what Commissioners can offer/do during sub-committee hearings.
- Chair should have discretion about number of members necessary for the meeting to continue.

- However: There would have to be a notice the sub-committee to comply with public meeting law, meaning it would have to be noticed prior to the regular PSC meeting itself.

Chair Baugh moved to adopt the PSC bylaws with Option 1 inserted.

Commissioner Rudd suggested to include the work “may” in Section I - Other Procedural Questions - regarding referring to Robert’s Rules.

The motion with the inclusion of Option 1 and the word “may” in Section I was seconded and passed.

(Y10 – Gray, Hanson, Houck, Ovalles, Oxman, Rudd, Shapiro, Smith, Valdez, Baugh)

Update of Housing Tax Exemption Programs

Action: Briefing /Work Session

Kate Allen, PHB; Uma Krishnan

Documents:

- Tax Exemption Handout for Discussion on Program Changes
- Housing LTE Memo

The PSC was briefed on The Big Look process in August 2011. This Committee is looking at comprehensive program changes to the Limited Tax Exemptions (LTEs) to better align this implementation tool with City’s housing goals, equity initiative and recently adopted Neighborhood Economic Development strategy. It has been a year-long process with Chair Cogen and Commissioners Fish co-chairing the group.

Examples of the changes include:

- In 1990, the original goal for the Single Family New Construction (SFNC) exemption was to increase housing values in less-desirable areas through increasing homeownership. This resulted in issues around gentrification and displacement. Currently, the recommended goal for the SFNC is to focus on areas of opportunity and to further goals of closing minority home ownership.
- The New Multiple Unit Housing (NMUH) / Transit-Oriented Development (TOD) program administrative costs are high. The recommendation is to combine the programs (which are currently two separate ones) - will have to rethink affordability standards. Proposed public benefits associated with the programs is also different in current form. Combining the two programs means there needs to be a tighter/shorter list of public benefits, which relate to current initiatives.

In addition to combining the two programs, the process change under consideration is to make the application competitive and inviting projects once or twice a year.

The recommended changes also works on aligning and simplifying goals to get them ready for use by partners in the private sector who are building “the rest of the housing”. As much as 70% of the Portland Housing Bureau’s resources go to the most critical need issues (for very low income people at 0-50% of median income). At the same time, the LTE tool can engage the development community to construct the 15,000 units that may be required to accommodate growth over the next 25 years. This meets some affordability in at-risk neighborhoods (gentrification) and can help aim development in proximity to transit and other amenities rich areas for people who make up to 80% median.

The change to a competitive process also aims to address the concerns of Multnomah County and school districts regarding the burden of foregone revenue.

Looking to narrow list of public benefits, the goal is to look at metrics of geographic distribution and availability of units that are hard to get built (fully accessible units and larger family-sized units).

Currently, LTE projects are heard by the Housing Investment Committee (comprised of PHB underwriters, PDC financial staff, and OMF reps); it is an administrative group. The public hearing process is at the City Council.

PSC would like a presentation on various housing financing tools and how the private sector is using these to advance the City's goals.

Commissioners discussed that the PSC need not hear individual NMUH/TOD cases. But they would like to have an update on activities/actions- for example, a running tally of how many units, districts, and cumulative impacts of projects. This report could be bi-annually or quarterly.

Commissioners liked the idea to combine NMUH and TOD and the idea of a competitive process. They would like to see an unbundling of parking from housing units, because if given the choice, people will often make different transportation choices, which is what should be encouraged.

Regarding involuntary displacement, what are we getting with the exemptions? They need to be in a place that we've designated as at-risk or that has already experienced displacement of an involuntary nature. These are places to provide building incentives.

The LTE programs offer exemptions to developers on property taxes based on the specific objectives (tool) that can help implement bigger policy goals (e.g. affordability and location). The dollar value of the public subsidy is significantly less than what we have to use to get to deep affordability.

When building multi-family housing in school districts where there are already lots of tax exempt property, we are also over-loading schools; so if a site in this area came as a proposal, this would not score as highly as another developer who would propose building in another location where, for example, schools are not at capacity. The proposed changes to a competitive process would help to accomplish this. Ultimately the program will be relying more on the metrics being created in the Portland Plan and then how those are folded into the Comprehensive Plan.

The Ramona in The Pearl is a great example of affordable housing in the Central City, an expensive rental area and includes 3-bedroom (family-sized) units.

When we use LTE to incent the private market developers, we have an ability to make the project include what we need private sector to do. There is a threshold of affordability in everything, especially family/workforce income and the short list of critical benefits (accessible, larger, geographic distribution are key benefits as proposed as early critical needs).

How do we leverage public investments we make and accrue to people who have historically not benefitted? For person/family of low income, this often comes in the form of spending less on transportation; there can also be health benefits when looking at where housing is located and how the program contributes to household ability to become more self-sufficient.

In the new process, developers won't get the exemption unless they are doing what the LTE process says.

An incentive to connect housing opportunities with employers would be beneficial - this should be addressed in the Commission's letter to Council.

To close the minority home-ownership gap, LTE is one of a number of tools/resources PHB uses. The SFNC has been used to lower housing costs for homebuyers. In near term, a competitive process that details preferred locations for development and cap on foregone revenue will be included; it will assess public benefits as well. This is a major shift in part because we have been developing a Portland Plan that has been embraced by many of the bureaus.

Re: critical benefits... low bar to consider: "have to have" (affordability & location). Things w/lots of points (e.g. larger units). Other things as "nice to have" (e.g. distance to grocery, daycare, going beyond energy code, etc).

Three decisions were approved:

- The PSC will get an update about the LTE programs twice a year including presentation of the annual report at one of those meetings.
- *Chair Baugh* will attend the October 7th meeting of the BIG LOOK Committee.
- The PSC will send a Letter of Support to the BIG LOOK Committee. Also PSC will prepare a support letter to the Council when changes come up for hearing at the Council.
 - When compose letter, include recognition that PP goals are important for everything PHB and PDC are doing.
 - *Commissioners Hanson and Gray* volunteered to work with staff.

Adjourn

Chair Baugh adjourned the meeting at 7:37pm.