

Portland Planning and Sustainability Commission

Tuesday, June 12, 2012

12:30-3:45pm

Meeting Minutes

Commissioners Present: Andre' Baugh, Karen Gray, Don Hanson, Mike Houck, Gary Oxman, Michelle Rudd (arrived 12:45pm), Howard Shapiro, Chris Smith, Irma Valdez (arrived 1pm)

Commissioners Absent: Lai-Lani Ovalles, [one open position]

BPS Staff Present: Joe Zehnder, Chief Planner; Steve Iwata, Supervising Planner; Eric Engstrom, Principal Planner; Tom Armstrong, Supervising Planner; Karl Lisle, City Planner; Troy Doss, City Planner; Uma Krishnan, Demographer; Julie Ocken, PSC Coordinator

Other City Staff Present: Traci Manning, PHB; Kate Allen, PHB; Stuart Gwin, PBOT; Lance Lindahl, PBOT

Other Staff: Andy Johnson, ODOT

Chair Baugh called the meeting to order at 12:38pm and provided an overview of the agenda.

Items of Interest from Commissioners

- *Commissioner Gray* noted that the Comp Plan orientations were held over the last week, and groups are getting together for each PEG.
- *Commissioner Smith* attended the Youth Action session co-hosted by the City Club a few weeks ago and noted that in the report on civic education in Portland, there was a strong suggestion that governing bodies should have youth members. This could be an opportunity for a youth member on the PSC as has been discussed throughout the Portland Plan process.

Director's Report

Joe Zehnder

- We are forming a Steering Committee to work on the next set of 3-year actions for the Climate Action Plan. The group will consist of PSC, ACSI (County), public, private, non-profit, academia - about 15 people total - and will meet 3-4 times before the end of the calendar year. Interested PSC members should let Julie O know by the end of this week. *Commissioner Houck* expressed his interest.
- Last week there was a charrette organized by AIA/ASLA/APA that did a workshop on the Central City plan's framework.

Consent Agenda

- Consideration of [Minutes from 05/22/12 PSC meeting](#)
- [R/W #7372, Proposed Vacation](#) of SW Moody Drive north of the Ross Island Bridge

Chair Baugh asked for any comments for the consent agenda. *Commissioner Shapiro* moved to approve the minutes. *Commissioner Houck* seconded.

The Consent Agenda was approved with an *aye* vote.
(Y7 – Baugh, Gray, Hanson, Houck, Oxman, Shapiro, Smith)

Central City 2035 (CC2035) and N/NE Quadrant Plan

Briefing: Steve Iwata

Presentations:

- [CC2035](#)
- [N/NE Quadrant](#)

Documents:

- [CC2035 Plan Memo](#)
- [N/NE Quadrant Plan Memo](#)
- [Facility Plan](#)
- [CC2035 Policy Information](#)
- [CC2035 Framework](#)
- [CC2035 Project Flyer](#)
- [Urban Design Diagrams](#)
- [Revised Proposed Quadrant Concept Plan](#)
- [N/NE Quadrant Plan Outline](#)
- [Draft Zoning Proposals](#)
- [Building Height Recommendations](#)

CC2035

This is the end of a 2-year planning process for staff and the steering committee, which is co-chaired by *Commissioner Rudd*. The focus has been on issues and goals with symposiums on a variety of topics relevant to the Central City. At the end of the process, key issues were identified, and the reformed steering committee will focus on the framework plan.

This plan is an update to the 1988 Central City Plan, which includes update policy statements and zoning tools. The symposium series was held with a mindset to create a new policy framework that is more integrated than what we currently have, integrating transportation, housing, economic development and the river.

The overall concept plan will give guidance prior to quadrant-level planning via:

- Strategic direction
- Policy framework
- Urban design framework

The policy framework will look at the role of the Central City as a regional city and a center for innovation and exchange. It's the state's downtown. Goals and guidelines for policy areas include:

- Regional center: economy and innovation
- Housing and neighborhoods
- Willamette River
- Urban design
- Environmental health - green development, green infrastructure, human health

The urban design concept builds off of the 1988 plan. A goal is to look at how to connect the east and west sides creating a commercial corridor from the west side of the Willamette River into the Lloyd District. Inside circulators surround the Willamette River, drawing people to the river. The outer ring builds on the streetcar system. All bridges also play a role in the connectivity. The river is something for everyone, and we can balance the needs and interests of all.

Beyond the current districts, we have policy statements for each section that we want to look at a more fine-grain approach, so we can focus on things that haven't yet happened.

There are 8 sub-districts within the Central City, divided into 4 quadrants. The N/NE Quadrant is the first one under review.

N/NE Quadrant

Staff is working closely with ODOT, which is working on a plan for the freeway interchanges at I-84 / I-5 / Fremont Bridge. This is part of the process for a long-range land use plan and the specific highway project.

A Stakeholder Advisory Committee (SAC) for the N/NE Quadrant started in September 2010. They recognize this is more than an update to the 1988 plan and have reviewed the history of the Lloyd area as well as the Memorial Coliseum, especially the displacement of the African American community. The project aims to integrate the history of the place while improving conditions for the community and the regional facilities. The fabric of the district has changed greatly between 1950 and now. African American heritage mapping was included and identified as a starting place for the planning effort.

Four land use typologies throughout the N/NE Quadrant were proposed and endorsed by the SAC, based on smaller areas/blocks and how the areas are used or could be used.

Street and development character includes looking at the streets and functionality of each, and three main types of streets were identified: retail/main street; boulevard street; and flexible street.

There is not much of an open space network in central Lloyd currently. A strategy to include more open space is to acquire and build public/private open spaces. This is key to supporting development in the concept plan.

Green systems are another concept the plan hopes to build more extensively via the Lloyd EcoDistrict, district energy area and Clackamas St as a link between the parks, creating a system of green streets. The Clackamas St overpass is the major piece for the quadrant plan.

A revised draft will be coming out on June 28. This includes urban design concept maps, district goals, policies and actions.

Proposed zoning changes include:

- Increase at Russell St - not all is mixed use currently, so look to expand but not allow housing.
- BESC property updated (EXd to EXds).
- High density residential zoning on Williams/Vancouver - increase potential for small business and employment potential in the area.
- High density residential in middle of Lloyd district today - propose to allow same zoning as rest of Lloyd.
- Rezoning to get rid of split zoning at Multnomah at 21st.

Height limit changes:

- Currently there is more height allowed east of Grand. Uniform 100' on Broadway area around Rose Quarter.
- Be more sensitive on northern edge of district, more at Broadway Bridgehead
- Thunderbird site - allow some views in front of coliseum by allowing taller buildings that would take up only part of site footprint

Additionally, this is a unique opportunity to find ways to get freeway system through the center improved to help knit the area together and improve the pedestrian realm.

The opportunity is in building the transportation and land use decisions together. I-5 opened in 1966, and the Broadway-Weidler “box” has the highest crash rates in the state due to short, weaving sections and traffic entering and exiting the freeway in the area. There is a great need to improve the interface with local streets; improve bike safety; and increase pedestrian connectivity.

Much work has started to be done in the area. In 2007, ODOT and the City worked to focus on safety problems and other opportunities in the area. In the current project, there has been further coordination.

Mixed-Use Multimodal Area (MMA) is a designation the area may now be able to achieve. This is the first of the designation in the state to allow that when development is coming in, ODOT doesn't have the same seat at the table that it used to.

The over-freeway bridges were built in the 1960s and will likely need to be replaced within the next 30 years, so this project provides opportunity to do land use and transportation updates simultaneously.

A “lid” is proposed over areas over the freeway to provide open space and connectivity opportunities. This could help make areas more developable. Staff is also looking at what can be built on the lid itself. From an engineering perspective, this is cost-effective for ODOT to make upgrades to the freeway area without needing additional staging space or needing to close areas for upgrades.

There is a proposed “box around the box” to support bikes and pedestrians. A new bridge would be built on Hancock, not Flint where it currently is, which needs to be removed for the freeway updates regardless. Removing Flint as a bridge reduces one of the hazardous interchanges, especially for bikes and restores east-west connection, and it creates a more direct route.

Project benefits include:

- Providing more space for drivers getting on/off freeway (30,000 on and off daily).
- More reliability (important to freight).
- Shoulders allow disabled vehicles to be moved out of mainline traffic.
- Seismic Upgrades to affected Bridges.
- Projected 30-50% reduction in crashes.
- Improved interface between freeway and local streets.

The freeway project is a \$300-400M project. If this doesn't get funding, the MMA designation can still be given. If the freeway project doesn't happen, other sources of funding and/or another review will have to be given.

Staff will return to the PSC for hearings on both the CC2035 Plan and N/NE Quadrant plan in September.

Multi-Family LTE Map Amendment

Hearing / Recommendation: Tom Armstrong; Traci Manning, PHB; Kate Allen, PHB

Presentation: <http://efiles.portlandoregon.gov/webdrawer/rec/5005210/view/>

Documents:

- [Staff Memo](#)
- [Proposed Map](#)

We have limited tools to provide affordable housing in the community, but the goals are to connect PHB's programs with the Portland Plan and the PHB strategic plan. PHB staff worked closely with BPS on objectives that are a priority to the city as a whole.

The new LTE guidelines will be used as a 3-year pilot; staff will return to the PSC in the future to provide an update about the new program, its effectiveness and any proposed changes at that time.

In this current review, the new multi-unit program combines the Multi-Unit and Transit-Oriented Development programs into a single program. Eligible properties receive a 10-year tax exemption on the residential portion of the structural improvements, in some cases the commercial portion of mixed-use project may qualify for exemption.

One of the proposed changes includes using the top of the statutory allowance (120 percent of median sales) to create the most "product" available to close the minority home ownership gap. Other program requirements include a cap of \$1 million in additional foregone revenue per year (4-6 projects/year); 20% of residential units affordable at 60% MFI with allowance for units affordable up to 80% MFI in high cost market areas.

To be considered for exemption the commercial portion of a mixed use development must meet a community-identified need for goods or services not currently available within ¼-mile walking distance; not compete with a similar established business within ¼-mile walking distance; and/or advance PDC's Neighborhood Economic Development goals.

Regarding the map, there was a major look to not disadvantage families in East Portland. The proposal recommends that developments in Lents and Gateway URAs that are otherwise compliant with program goals not be held to competition against other areas in the city and would not count against cap of no more than \$1M in foregone revenue.

The new construction home ownership proposed changes include:

- Max Sales Prices: 120% of the annual median sale price for Portland - currently \$275,000 and adjusted annually.
- Cap of 100 applications per year (except homes that are sold to households earning less than 80% MFI with covenant).

The LTE multi-family program map updates show the additional areas that allow for mixed use and higher density developments.

The proposed additions are based on two criteria:

1. Metro 2040 designated centers, main streets, and station areas with transit service; and
2. Metro 2040 designated corridors with frequent transit service.

There two exceptions to the criteria:

1. North Vancouver/Williams corridor is included; and
2. SE 122nd Ave, south of Powell Blvd is not included.

Testimony

- Terry Parker: increasing tax abatement is not sustainable. It takes money from schools, the City and County. Parking is also a concern to existing neighborhoods - if it's not provided in the complex, more cars will be parking on the street.
- John Gibbon, SWNI Land Use Chair: Concerned about the area in Burlingame around Barbur coming up to the city line. For properties between Barbur and the freeway, there is already tax abatement not covered by this exemption (not included in this LTE

project) with very mixed use, but there is concern in the area that the stretch should be carefully looked at for long-term use as housing.

Written Testimony Received

- Susan Lindsay, Buckman Community Association
- East Portland Action Plan
- Portland Housing Advisory Commission

Chair Baugh closed the hearing.

Discussion

Commissioners voiced appreciation for the requests in the EPAP that were submitted and answered at least partially in the mapping and program updates. Addressing the question about the competitive process only occurring once in the first year, staff noted that in this first year, there is pressure to run a competitive process after the program's adoption. Because of statutory dates, there will likely be only one competitive process, but going forward there likely will be more than one per year. There is also the new requirement for builders to show how they are connecting with organizations in the community to ready minority home owners. Staff has been working with diverse communities to be sure this is benefiting the people living in East Portland now. Closing minority homeownership gap falls within the PHB strategic plan, which is why the recommendation is for 100% MFI, not 120% for income.

Parking issues have to do more with Comp Plan policies than the housing LTE. Projects have to comply with zoning regulations and designations, but within the program, there is a requirement for developers to have a neighborhood meeting to discuss issues or concerns they can incorporate into design of the project. Staff and the commission can reassess the program after the Comp Plan to make adjustments as necessary.

Motion

Commissioner Shapiro moved to recommend that City Council adopts the revised Multi-Unit LTE Program Map and endorses the general direction of proposed program changes to institute a competitive process with an annual program cap. *Commissioner Houck* seconded.

Chair Baugh restated the motion, and the motion passed.
(Y9 – Baugh, Gray, Hanson, Houck, Oxman, Rudd, Shapiro, Smith, Valdez)

Portland Plan: Buildable Lands Inventory and Employment Opportunity Analysis

Hearing / Recommendation: Tom Armstrong

Presentation: <http://efiles.portlandoregon.gov/webdrawer/rec/5005209/view/>

Documents:

- [Staff Memo](#)
- [BLI documents](#)
- [EOA documents](#)

Since the initial hearing of the BLI in May, staff has made some updates and reviews:

- New DEQ Brownfield database
- Adjusted Willamette Greenway coverage
- Added underutilized EX and EG sites in industrial areas
- Revised maps
- Added Housing Type Capacity table

Regarding the EOA, updates from the initial hearing include:

- 2010 base year had Goose Hollow in the wrong distribution (now correctly shifted to Central City)
- Non-conforming commercial uses shifted from Residential to Neighborhood Commercial.

One of the themes from testimony and discussion staff has had is about the analysis being pessimistic in employment forecast and optimistic in land supply -specifically in brownfield areas. Brownfield areas have many layers of constraint, so their capacity is relatively low. We need to look at an “all of the above” strategy (e.g. brownfield program, infill, redevelopment, freight, etc) to close the land gap.

Staff looked at a higher industrial growth scenario (both cargo forecast and industrial/manufacturing jobs) - which adds 438 acres of demand.

Redevelopment of Industrial Land EOA Study shows 36% of development activity on higher intensity sites that is not included in the BLI. This is consistent with the Metro Industrial Refill Rate of 36%. That is about 245 acres which could be added to the supply side, but this is not included in this recommendation.

Regardless of what we look at, we still need to find capacity between 400 and 100 acres in Columbia Harbor.

Testimony

- Jason Joy, Gunderson: brownfield redevelopment requires a strong market and high growth rate. Regarding greenfield development, the issue is not survival of development, the issue is cost. The report is pessimistic in its view on growth, but Oregon is second in job growth in the nation right now. Portland needs a regional approach to working with the Lower Columbia, since Portland is a confluence of transportation systems and is well-suited for a working harbor with a range of job opportunities. The EOA also needs to identify constraints and challenges within the UGB.
- Jeff Swanson, Working Waterfront Coalition: The WWC’s primary questions are around lack of clarity, and staff should release a detailed memo about the changes in methodology and the impact on supply and demand numbers. There is a need for large lots for marine industrial uses, so aggregate numbers should be broken out. Employment in the traded sector should account for initiatives taken to increase exports. The Portland harbor is the largest in the region, so we should capture the job opportunities it can provide in Portland. No single metric can capture everything that goes on in the harbor, so industrial activities are “it depends” because these areas don’t have homogeneous uses.

Written Testimony Received

- Peter Fry, Gunderson

Chair Baugh closed the hearing.

Discussion

EX lands are counted in industrial use. If we look at industrial areas, there is a mix of jobs. We are still forecasting office, service and retail jobs in these industrial geographies.

Staff proposes going forward with the EOA 630 acre deficit in the industrial area. The range and sensitivity show the need to update this more frequently based on economic uncertainty, strategies to assess. For Goal 9 purposes, we have to pick a number and go from there. We are going to be out of industrial land at some point, and Goal 9 will force us to deal with the issue.

The 36% can be looked at as the limit - not “the number” - with the potential to take advantage of revisiting it in the Comp Plan update. If we don’t use the refill factor now, it could force the dialogue to look more regionally; for example, we could be looking at several counties and both Oregon and Washington when talking about land and economy supply and demand.

When explaining the BLI and focused assumption of industrial on vacant sites, this should include EX and EG in those areas and reference the study that validated the 36% number as a potential source of capacity we could look at in the Comp Plan update.

1999-2011: looked at development activity, 36% of growth was refill. If we want to grow the economy, does this number get us to where we want to be ultimately? Connection between jobs and development numbers are difficult. Has refill produced more jobs? Productivity does not necessarily make new jobs.

To an extent, we are stewards of the limited resource, pushing towards its more efficient use. Refill will happen, and sites that don’t look developable now will become so.

Motion

Commissioner Houck moved to recommend that City Council adopt the revised Buildable Land Inventory and Economic Opportunity Analysis with the updated maps and data tables with the addition of updates as noted in the 36% refill number discussion and broader conversation about Goal 9. *Commissioner Smith* seconded. *Commissioner Houck* also noted the PSC can write a letter specifically about Goal 9 and refill to accompany the PSC’s recommendation letter to City Council. He offered to draft a letter to circulate to PSC members.

Chair Baugh restated the motion, and the motion passed.
(Y6 – Baugh, Hanson, Houck, Rudd, Smith, Valdez)

Adjourn

Chair Baugh adjourned the meeting at 3:58pm.