MINUTES OF THE METRO COUNCIL MEETING

October 9, 1997

Council Chamber

<u>Councilors Present:</u> Jon Kvistad (Presiding Officer) Susan McLain, Ed Washington, Don

Morissette, Lisa Naito

Councilors Absent: Ruth McFarland, Patricia McCaig

Presiding Officer Jon Kvistad called the meeting to order at 2:06 p.m.

1. INTRODUCTIONS

None.

2. CITIZEN COMMUNICATION

Art Lewellyn, Loop Oriented Transit Mall Intermodel System Designer, 3205 SE 8th #9, Portland, OR 97202, suggested an intermodel system as a possible alternative alignment for the South North Lightrail. He noted a transparency which included a new element. When the streetcar system grew, he had utilized the original trolley route proposed and extended it to serve Macadam. With the addition of the crossing at the Hawthorne Bridge, connecting to an east bank light rail alignment, the trolley would come up to Broadway turn south and then follow the route of the proposed extension of the Central City streetcar through town, adding this vehicle to service the Portland State University area. He had already noted the extension of the electric bus system on the downtown mall, first up to OHSU. The map showed how this bus followed the main street alignment from Wielder/Russell to Interstate as far as Kinton. This would improve Interstate Avenue's developable potential making it practical to do. He noted the streetcar extension for the Lloyd Center district up Wielder, Grand and around the area. His growth pattern map showed by adding electric buses to the system downtown how it would grow, possibly Hawthorne, 11th and 12th, Sandy connecting into the system to be built on the mall. He showed a picture of the Broadway electric bus with a low floor.

Councilor Washington asked what was the year of the Council Crest electric bus shown in the picture.

Mr. Lewellyn responded 1940.

Marcus Simantel, a farmer from Washington and current president of the Argi-Business Council of Oregon. He said Argi-Business Council of Oregon was a non-profit statewide agricultural organization comprised of farmers, ranchers and related business people. Last year the organization took the lead in getting a study done looking at keep agriculture viable in the metropolitan area. Council had received a copy of this study. He noted the executive summary of the report as well as an sheet which listed facts and critical issues that were identified in the study (included in the permanent record of this meeting). He said the study was a scientific study with excellent economic analysis by Dr. Cornelius from Oregon State University. The intention of his presentation was to call the Council's attention to the study and asked that it be part of the record. There were nine critical issues identified for agriculture in the Metro area, six of which involved

Metro, land use, water or transportation related. He said he knew the ag community did not always step forward and get involved but he felt that in order to get anything out of the regional planning that was trying to be done that they all needed to work together.

Presiding Officer Kvistad noted that he heard from the group regularly.

Councilor Naito said that at the last hearing she had come up with idea of trying to preserve some of the agricultural land within the Urban Growth Boundary. The forecasting had said that it would all be built out in the next 10 years, however, the chief planner suggested we try to develop some language for the Regional Framework Plan. She felt peopled cared about community gardens, pumpkin patches, herb gardens and Alpenrose Dairy to keep the tie with agriculture, an important Oregon value. She felt it was very important to people, to not only have parks and open spaces but, to have some of the agricultural land in the Urban Growth Boundary. She asked that Mr. Simantel work with her on some of this language.

Mr. Simantel said that it was a very complex issue. If all of the land was developed inside the Urban Growth Boundary maybe we wouldn't be tempted to push towards the farmland outside the Urban Growth Boundary. The openspaces inside the boundary helped Portland stay healthy. As a farmer outside the Portland area, his big concern was that Portland stayed healthy, this took pressure off the farmland outside the boundary. If the Urban Growth Boundary was bumped out too far to save land inside the boundary we would still be diminishing the critical mass of land for farmland. He noted that the orange sheet indicated there had been a loss of 133,000 acres of farmland to urbanization almost entirely inside the boundary from 1969 to 1992. There had been another 28,000 lost to urbanization in the last five years. The farmers couldn't lose to much more to keep a viable industry going. He noted several large farm industries that were moving further out. As a farmer he was concerned that there were good suppliers and processors.

Councilor McLain noted the orange sheet, one item was the number of acres that was assumed to be taken out of production in the next five years. She wondered what some of the urban uses or qualities would be to cause companies to go out of production inside the Urban Growth Boundary.

Mr. Simantel said he was unsure how many of the projected acres were inside the Urban Growth Boundary, the acreage total was 27,500 acres in the next five years. This figure came out of the project manager's information.

Councilor McLain summarized that the acreage could be part of the farm tax deferred land inside the boundary and part could be outside.

Mr. Simantel said he would assume this was the case.

Councilor McLain noted that Mr. Simantel spoke of the critical mass, she felt it was important for people to understand what that meant.

Mr. Simantel said that one could still farm, but it became more and more difficult. Clark County was having a hard time because they had lost so many of their suppliers, they were having to drive to western Washington county for fertilizer. There was a need for traditional, adaptive and recreational farming. But if there were too few acres for farming there would be no industry to survive. He noted that Clackamas County had lost the most farmland, actual acres and production acres. They had very high value in agricultural land with the nursery industry, they rank third in the state.

Presiding Officer Kvistad noted that most of the parcels were outside the Urban Growth Boundary.

Mr. Simantel agreed and noted that many of those were still included as farmland.

Councilor Washington thanked Mr. Simantel for being at the meeting. He said the farmland was very important, it was never too late to protect the farmland. The farmers needed to participate in this process even if there was a degree of skepticism. The land use laws had been built around preserving forest and farmland.

Councilor Morissette said there was farm tax deferred land both inside and outside the boundary. He had had different conversations with the Farm Bureau. There was discussion about the value of farmland both in and outside the boundary. To the farm industry, they were very interested in maintaining those farms both in and outside the boundary. When the discussion about the viability of farm tax deferral came up, about the potential of that not continuing inside the boundary, there was encouragement to save some of the outside of the boundary farm land because of the fully developed farmland inside. He did not get the sense that the farm community was willing to lose the farm tax deferred land inside the boundary, that was still a priority. There was some acknowledgment that farmland be maintained both in and outside the boundary. This occurred during the last legislative session. He added that there was not a formal position taken by the farm community but there was no one in the room that spoke in favor of losing the farm tax deferral land inside the boundary. In fairness to some of the skepticism of the process, there were many farmers who were interested in what the potential value of their land would be and there had been discussions about if the boundary didn't move into the farmland would the farmer be willing to give up their development rights for the far foreseeable future. He said if that question were asked there would be more skepticism because there was not a unanimous group of people inside or outside the boundary. There were people looking for development opportunities and farm uses current outside the boundary as well. There were several farmers who were close to the boundary inside that said they planned to continue farming for a long time. There was a suggestion to move the boundary in a bit in some of those areas where they would continue to farm and take some of the development rights away from those people and move the boundary out somewhere else. He had not seen this idea go anywhere. There may still be some who were farming inside the boundary that did not want it to move it in because they didn't plan on selling the land but of course there was a lost value if that was the case. He had seen no proposal from the farmers to do this. He thought as a Council that they were very interested in looking at this option. There was a real debate in the community about farm use.

Mr. Simantel responded that he knew some of the people that Councilor Morissette had spoken about, they were very interested in keeping their development rights. They were looking more at their land as an investment. As a whole ag industry, they could not afford to look at farmland in this way.

Councilor Morissette added that he did not want to represent that comment as a majority but there was that challenge.

Mr. Simantel said he would not disagree with that statement. One of the important things that he saw as far as farmland value was if they could draw that line and they knew that those urban reserves stayed the only urban reserves until 2040, then, the speculative value left, the speculative value was really hurting Metro agriculture. This study was about this, right now, one could not pencil it out as a farmer. He farmed about a mile from the Urban Growth Boundary, all of his

neighbors fully expected that within 10 to 15 years they would be inside the Urban Growth Boundary even though they were not in an urban reserve. This was the common view in his area, they did not think that there was the political will to hold the boundary where it was. As long as the farmers thought that way they would not do the capital investments to do long term farming. Whatever could be done to reinforce the idea that the boundary will stay in place would be of value.

Presiding Officer Kvistad said there had been much discussion about what the Council did about the parcels which were considered farmland which were in the urban reserves. The Council was facing a situation where there needed to be decisions made about which land was usable with potential expansion. Yet the usable land that was most viable was a couple of parcels which were near transportation but were being appealed. How did one balance that need? He had not seen recommendations in the report concerning this issue.

Mr. Simantel said he was unsure as far as the Urban Growth Boundary that the recommendation in the ag report would help the Council make that decision. The recommendation was that the Council hold the line. Most realized that even if the Council wanted to hold the line, it was not a viable alternative. There had to be some changing of the Urban Growth Boundary. He encouraged keeping the expansion as small as possible and to keep plugging away with density. Personally, he felt that the concept of density had been demonized in the last couple years. There were many who thought that density was not a good thing, yet some of the healthiest part of the metropolitan area were the most densified. On the west coast people had not learned what real density was, density could be good, it depended on the people and the activities of the community. He still believed density was the better of the two options.

Presiding Officer Kvistad said where he differed was that he felt that you needed a bit up and a bit out to give a transition time. This was one of the things that was debated every day. He noted he had come from farmland himself. The problem was in trying to balance all of these issues. Most of the Council understood what the farm community was dealing with. The report said don't move the UGB, he was throwing the challenge back to the farm community to come and help the Council determine which parcels worked and which parcels wouldn't destroy the ag economy. If the Council had to expand into the Urban Reserves, which parcels worked and which didn't. The Council wanted to bring the ag community in as partners.

Mr. Simantel asked for clarification on the process. The Council was now deciding how many acres to take in. How many months would it be before the Council decided which acres filled that pot?

Presiding Officer Kvistad said the decision would probably be within the next six months. The Council was on a short timeline, the Council would greatly appreciate the assistance and discussion with the farm community on developable land and those items that arrive at density versus exception lands and slopes. The Council needed to figure out which parcels would be best to expand into.

Councilor Naito noted that the land would be master planned before expansion. The Council would be looking at things such as transportation linkages and what kinds of densities of housing. Land wouldn't be coming in in the traditional way, the whole area would need to be master planned with the attempt to achieve some densities, preserve parks, note where the schools would be.

Mr. Simantel added, and with that, flexibility.

Councilor McLain said from what she had read in the report even though it did say that the best solution would be to hold the boundary. The conversation said we understood that this was a difficult dilemma. Yet, the agricultural community did want to point out that the smaller the movement of that line, the better for the agriculture industry. The second element was that as the Council worked through the need assessment in the Urban Growth Report, the Council wanted and hoped that the ag report and the commitment was a commitment that the Council needed to have agriculture people there when those conversations were going on. She committed that both the Washington County area and the Ag Business Council would be getting a personal invitation from her anytime there was talk about any acreage or any urban reserve or any locational adjustments of the Urban Growth Boundary. It was there that the ag community could make a difference. She encouraged the agricultural community to come back and meet with the Councilors.

Mr. David Knowles, Metro citizen and Director of Planning for City of Portland, wished to communicate with Council that when they considered the Urban Growth Report he was available as a resource for discussion on the variables on the Urban Growth Report. He offered this assistance as a member of MPAC, as a member of the Metropolitan Planning Association as well as on behalf of the City of Portland which by virtue of its size had 40% of the housing stock, 40% of population and 25% of current housing production in the region. They would have a substantial influence on underbuild, infill and redevelopment assumptions that were included in the Urban Growth Report. He had specific information about the City of Portland if the Council was interested.

3. EXECUTIVE OFFICER COMMUNICATIONS

None.

4. MPAC COMMUNICATIONS

Councilor McLain said last night at the MPAC meeting there was a review of some of the Regional Framework Plan items; schools and housing particularly. There would be a transmittal from Rob Drake, Chair of MPAC to the Council on those items that were in the Regional Framework Plan. MPAC would continue to work on the other elements at their next meeting. Metro's open houses had been completed and the Council would be holding public hearings shortly. The Council recognized that there would be some materials brought to Council after the public hearings. Councilor McLain spoke of the possibility of a third public hearing to accommodate having a chance for the public to review all of the MPAC recommendations along with the Council.

5. PARKS GRANT PROGRAM

Charlie Ciecko, Director of Regional Parks and Green Spaces, provided the Council with salmon cookies to alert them to the 14th Annual Salmon Festival at Oxbow Park. He encouraged attendance. He spoke of the restoration and grants programs, a true regional success story. For the last six years Metro in partnership with the US Fish and Wildlife Service had administer restoration and environmental education grants program which contributed directly to priority citizen values such as clean air and water, access to nature, and natural resources in the future. To date, nearly 1 million dollars had been awarded to 140 projects across the region. He recognized the Metro Council, each had contributed in own special way, selection committees, trips to Washington DC advocating for federal funds. Mr. Ciecko also acknowledged Oregon's

congressional delegate. He noted Senator Hatfield contribution, Senator Hatfield had actually got the program started with his influence on the Senate Appropriations Committee six years ago. The Parks Department acknowledged the US Fish and Wildlife Service, Jennifer Thompson and Pat Wright who provided technical support both to the selection committee as well as being strong program advocates at the service headquarters. He acknowledged Metro's own staff, Mel Huie.

Lynn Wilson, staff person in charge of administering the program, said that Metro received two awards from National Society of Park Resources and the State award for Oregon Recreation and Parks Association for Distinguished Award both were for the grant programs. In 1997 they had continued their outreach to the community, in the midst of the restoration grants. They had received 20 application, widespread throughout the Metro area including Clark County for a total of about \$184,000. They had \$90,000 to give. She expected that there would be even a better turnout for the Environmental Education grants. They were doing a good job of getting those partners involved. She noted the notebook with a vellow fact sheet (a copy of which is include in the permanent record of this meeting). It showed distribution within each of the Councilor's districts. She added that they were able to fund about 72% of the requests for restoration grants and 32% for Environmental Education. There was a great interest in the community, they could fund about 50% of the applications that came in to the Department. They get tremendous amounts of recognition and local sponsorship for these grants. For every one US Fish and Wildlife Metro dollar, they received three dollars in in kind service, community service, donation and cash from the community partners. From the educational grants they got back about four dollars for every one dollar invested.

The blue sheet showed some other accomplishments and the green booklet synopsized the six years of restoration and the five years of environmental education grants. There were three audiences that this book was prepared for, the public, the US Fish and Wildlife Services and Congress. She noted the other components of the notebook (a copy of which is included in the permanent record of this meeting).

Nancy Chase, Parks and Greenspaces, spoke of the challenges. They would like not to turn away any worthy project. Next year, their goal was to start looking for some corporate sponsorship, other outside dollars allowing them not to rely entirely on federal funding in case that diminished. In November they would be awarding the new grants, in the Spring and Summer they would be doing their work projects in the Councilor's districts. She encouraged the Council's involvement.

Councilor McLain thanked the three presenters. This work was the best kept secret in the agency. Metro needed to celebrate the good things, the education and restoration grants were indeed part of those Metro successes. She had been on the restoration and education committees. Staff worked very hard, the process had become very clean, very clear. The other element she pointed out was noted by Ms. Chase. What had been done was spectacular but they knew that the ability for Metro to complete all of the good projects couldn't happen unless the agency took another approach. She suggested corporate sponsorship idea was a good start. She suggested that they come back and give the Council their brainstorming so that Council could assist through networking.

Councilor Washington said he felt that Parks had done an excellent job, particularly Mr. Ciecko.

Councilor Naito commended the group on their work, the word was getting out. She said people were really learning about removal of ivy and scotch bloom.

6. CONSENT AGENDA

6.1 Consideration of Metro Council meeting minutes of the October 2, 1997.

Motion: Councilor Washington moved to adopt the Metro Council meeting minutes of October 2, 1997.

Seconded: Councilor McLain seconded the motion.

Discussion: Councilor Morissette said on page 21 in the sentence in the third paragraph, the word should be use not sue.

Vote: The vote was 5 aye/0 nay/0 abstain. The motion passed unanimously as amended.

7. ORDINANCES - FIRST READING

7.1 Ordinance No. 97-714, For the Purpose of Enacting a Policy to Allow Metro to Purchase and Accept Conservation Easements to Promote the Protection of Regionally Significant Natural Resources, Adding the Policy to the Metro Code and Declaring an Emergency.

Presiding Officer Kvistad assigned Ordinance No. 97-714 to the Regional Facilities Committee.

8. **RESOLUTIONS**

8.1 **Resolution No. 97-2550,** For the Purpose of Adopting the 1997 Urban Growth Report Analysis of Developable Land.

Councilor McLain suggested a Council work session on the Regional Framework Plan on October 30, 1997. There were still some outstanding issues on the Plan that MPAC was dealing with such as schools and parks. MPAC believed they could get their recommendations to Council after their October 22nd meeting. She believed the Council would have an opportunity to fully look at the advisory comments at the work session. She said because of the size of the document, the amount of amendments, the amount of work being done in the last month, it would be beneficially to add a third public hearing. She suggested the Council have the October 16th and 23rd public hearings, have the work session on October 30th, deliberate on November 6th, open a final public hearing on November 13th, and vote on the Regional Framework Plan on November 20th. She hoped as a Council they could establish this as the revised schedule so that the public could be notified of the additional public hearing.

Councilor Morissette asked if this was in writing.

Councilor McLain said the Council had had the actual schedule for six months. The only change would be that the Council was scheduled to deliberate on the Regional Framework Plan on November 13th. The Council would be allowing for an extra public hearing on that date. She was not asking for any additional meeting or to extend the time for deliberation. The additional public hearing would simply allowing for an additional public hearing to make sure that everyone had had a chance to react to the amendments. They had been working on housing, schools and parks. She thought that the public needed to have an opportunity to review their work at the MPAC level and the Council level.

Councilor Morissette asked if the old schedule was the continuing schedule? Councilor McLain said yes.

Councilor Naito said she had been concerned about the fact that there wasn't enough time set aside for Council work sessions on the elements of the Regional Framework Plan. When the Plan was first released last Spring the deal was that it would be a compilation of existing policy. A great deal of work was being done in MPAC but it had not been completed. There were many new policies in each of the chapters that would be before Council. She would like to see some brief work session on these chapters. She suggested adding some short sessions just prior to the regular council meetings to deal with some of the non-controversial issues to allow Council to focus on some of the real issues.

Presiding Officer Kvistad said October 30th, which was the fifth Thursday, the Council had preschedule to be a work session on the Regional Framework Plan. He suggested discussing this among the Council after they had gotten through the public hearings to see if there was a need for further work sessions on the Regional Framework Plan.

Councilor McLain reacted to Councilor Naito's comments, she agreed with her. Sitting through the MPAC meetings she had watched them self destruct because they didn't have enough time in their own mind to actually sit down and rethink all of the new work they had done. She did not want to see that happen to Council. She was willing to review the agendas in the next weeks to see if an additional hour or two could be utilized for work sessions. She noted the additional title added by MPAC on Citizen Involvement. Many of these titles could be reviewed and set aside in short order. Another issue was the overall blending and writing of the document. She had asked the Growth Management Department about a work group, when the document was all done and ready for the content to stop. She wanted to know what the Council wanted the document to look like. She said several councilors had spoken about this issue. Councilor McLain suggested some additional work sessions would be helpful.

Councilor Naito said the issue of what the final document would be should be discussed by the Council. She felt that the readability of the document needed to be improved. She thought that it could be reformatted starting each chapter with an introduction and then the policy, moving all of this history and mandates to the back of the chapters. She said at some time there would need to be someone who could write the document in a user friendly way. This was not as easy to do as it sounded.

Councilor McLain said we needed to talk about what was the document and who were they expecting to read it, the general public, planners in the local jurisdictions, legal. She felt that all three were true. If the document included all three of those readers, she felt it put a different focus and filter to work the final product through. She hoped the readability would cover all three of those areas. She felt that there needed to be several extra work sessions.

Presiding Officer Kvistad said that one of the reasons for the delay in the Urban Growth Report and Housing Needs Analysis was to have a full compliment of the Council. He wanted to make sure all members of the Council agreed to a schedule for additional meetings. He asked Councilor McLain to follow up o ensure that all councilors would be available for these additional sessions.

Councilor Washington asked when the October 30th meeting was scheduled, would it be long because he was scheduled to go out of town that evening. He would need to adjust his reservations if it were long.

Presiding Officer Kvistad said that it would be standard time, starting at 2:00pm and lasting no later than 5:00pm. He said if the meeting looked like it needed to be longer, they would starter earlier rather than go later and begin with a luncheon session.

Councilor Washington asked Councilor McLain what she meant by the word filter.

Councilor McLain said that Councilor Washington utilized the work funnel like she used the word filter.

Presiding Officer Kvistad announced that the public hearings on the Regional Framework Plan would be October 16 in Beaverton and October 23 at Metro, both beginning at 5:30 p.m. and November 13 at the regular Council meeting.

Mr. Jeff Stone, Assistant to the Presiding Officer, announced that the Regional Framework Plan Public Hearing in Beaverton would be televised rather than the regular Council meeting that day. This would allow people to see what happens at a public hearing and provide them some additional information on the Regional Framework Plan.

Councilor McLain said at the last Council meeting there had been Council discussion about the Urban Growth Report as well as invited testimony. She noted that continued discussion would occur at today's meeting and the final vote was planned for October 23. She spoke of the memo she was handing out (a copy of which may be found in the permanent record of this meeting), she had prepared amendments supporting the changes that staff had provided to Council since last June at Council's direction. This memo supported her action of two amendments (she read her memo into record). She reminded the Council that the Urban Growth Report was not a static document and that she was happy to discuss any of these amendments with Council. She also welcomed discussion on an increase in park lands suggesting some funding issues.

Councilor Washington asked Mr. Turpel about underbuild and the Zell factor, what was magic about the two years, 1994 and 1995 that were used by the Growth Management Department for these variables?

Mr. Turpel said those were the most current years for which the Growth Management Department had data.

Councilor Washington asked if these two years were the gospel?

Mr. Turpel said that they had had a number of comments, not only were they just two years but they were two years back to back. There may be things that happened in those particular years that may not necessarily reflect a 20 year estimate. It was the best available information that the Growth Management Department had at the time.

Councilor Washington asked if it would have been possible to get data from other years?

Mr. Turpel responded that part of the problem was that they had made some improvements to the data gathering utilizing the RLIS system that allowed the Growth Management Department to focus on those two years of data. If other years were requested, they would have to go back and reconstruct the data. It could be done however it would be more expensive and time consuming than it was for those two years.

Councilor Morissette responded to Councilor Washington and Mr. Turpel's comments, he said he did not think you would be trending down if you had seen the last decade of what underbuild had been. His experience had been that underbuild had been hovering close to the 50% range. He spoke of SB 100, when it was implemented, roughly 100% of the land was calculated, 50% was designated as multi-family and 50% was single-family. Many of those multi-family zonings were put in the wrong place and were then later converted to single-family thus creating a huge underbuild based on what was assumed originally in those areas. The underbuild factor over the last decade was much higher than what they had been talking about. He noted his points on underbuild at last week's Council meeting.

Presiding Officer Kvistad said he had an underbuild question. He asked Council's permission to have Mr. Chandler come forward to answer questions. The Presiding Officer noted that he had had problems with underbuild numbers and what they meant. He asked Mr. Chandler to give him an overview of the industry's understanding of underbuild and what the differences were in the numbers that came forward from MPAC versus the number that the Growth Management Department provided.

Mr. Jon Chandler, Director of Government Affairs of Homebuilders Association, said he had several points he wished to raise with the Council which were not testimonial but simply requests for clarification.

Presiding Officer Kvistad noted that he had a variety of testimony in terms of underbuild. He noted that when the 27% figure was developed, that was the compromise number. If you dropped it to 20%, in terms of the industry understanding of dwelling capacity and what was current being built, could that be a reasonable number in terms of what was happening in the market?

Mr. Chandler said they did not think it would be a reasonable number. He noted Metro's Housing Needs Analysis which indicated the higher the density, the greater the underbuild. This was not just in the Metro area but occurred historically around the county. This was the point that the Homebuilders had been trying to make previously. As he understood the 20% number was driven by the 80% minimum densities that were being required by the Functional Plan. If you get full compliance with that piece (minimum density) he supposed that this figure was OK but it was certainly not the practice of today. The homebuilders experience with minimum density had been sporadic since they had opposed them most places.

Councilor Morissette said we had assumed 100% of the densities would be calculated. Was that a reasonable assumption considering just a week ago the Council had discussed that in order to protect certain habitat areas they might allow density relief for jurisdictions?. Was that not what Mr. Chandler was talking about?

Mr. Chandler responded that it was. Last night something had bothering him, the assumptions against which the underbuild number was being measured, 27% versus 20%, was 21% of what? The Growth Report assumed 100% compliance by all jurisdictions in the Metro region with the provisions of the Functional Plan, in other words, that the jurisdictions were all going to do the rezoning that the plan called for to achieve the target. Was there a variable or a factor to allow for jurisdictions who used the provisions of the Functional Plan where they could come to the Council and show that they couldn't get to what figure they thought they could, they couldn't do the rezoning for what ever reason, they couldn't get the density? As Mr. Chandler read it, there was not one. This seemed to be a potential problem because we were assuming full compliance when that may or may not occur. They were high centering on issues of percentages and he wasn't sure that the real issue was how many rezones were actually going to occur. How much

compliance would there actually be with the Functional Plan. How many jurisdictions would comply full or decide they couldn't for a variety of reasons. He did not see in the Functional Plan or the Urban Growth Report an answer to those questions.

Councilor Naito said what was confusing her was the ramp up variable, which was how fast they would implement it in the five years plan. She said most of the testimony indicated that the local jurisdictions would be in full compliance. She thought that we were expecting full compliance and that jurisdictions had indicated they wouldn't have a problem with this compliance. She was unsure if these two issues were related.

Mr. Turpel said Councilor Naito was right, the ramp up that was in the revised report was five years down from seven years. When you utilize the Functional Plan and Table 1, it got more complicated because that was what it took to have no expansion of the Urban Growth Boundary. It assumed a number of 243,000 dwelling units to be accommodated. There had been some discussion in the newspaper that maybe those numbers should be adjusted after the Council made their decision. It started getting very complicated. Clearly, in the Growth Management assumptions, they were assuming that the 2040 densities would be built taking out lands that were unbuildable and also counting the underbuild factor.

Presiding Officer Kvistad asked if we knew of any instance when all local jurisdictions had 100% compliance.

Councilor Naito said they could ask the City of Portland Planner that question. It was her understanding that Mr. Knowles had indicated that the City of Portland would be 100% in compliance.

David Knowles, City of Portland Planner, said that although he could not answer the Presiding Officer question about full compliance, he could say that when the City of Portland got to February 1999, Portland would have more than complied with the Functional Plan standards in many respects. While it may be valid to wonder if you didn't get 100% compliance by all jurisdictions how that would effect underbuild but what if you got more than compliance with the Functional Plan. This may make up for those jurisdictions that didn't do as much as the Functional Plan suggested.

He responded to Mr. Chandler's statement that his experience was that higher density generated greater underbuild. The City of Portland had done a quick sample survey of their attached dwelling zones and found that the underbuild was lower than the single family zones. The City had a minimum density requirement of 90% on the single family zones, there was no existing minimum density requirement in attached dwelling zones but the City would comply with the Functional Plan. Their survey results showed a 5% total overall average underbuild in the attached dwelling zones. The contrary to Mr. Chandler's statement seemed to be the City of Portland's experience, the higher the density, the lower the underbuild.

Presiding Officer Kvistad asked Mr. Knowles when he was dealing with the zones, wasn't it true that the City was in urban zones that already had transportation infrastructure, existing services? Suburban zones were far different than the urban zones. Did the City do a balance mix of both kinds of zones?

Mr. Knowles said the zones that the City looked at were zones that had row houses, duplexes, triplexes and then two and three story walk ups, R-1 to R-2.5 in zoning terms, in all parts of the City.

Mr. Chandler said he did not think it was clearly set out in the Urban Growth Report. The underbuild had been focused on, but again he stated, it was the issue 'of what' that was critical. He appreciated what Mr. Knowles was saying and it may be that there would be 100% compliance. The document skipped over the "what if" and went right to the assumption. He felt that this obscured the issue. This was what had nagged at him. He felt that there needed to be another variable or at least some more explication of what happened if jurisdictions didn't achieve compliance. He understood that Metro hoped they would achieve this and they were told to comply. But, there was also a provision in the Functional Plan where they could come back to Metro if they could not comply. To have 100% compliance assumed Mr. Chandler felt was a mistake. He had looked at Table 11A, B, 12A, Infill and redevelopment and he would pay someone to explain those items to him. He was absolutely baffled. He had spent many hours trying to figure out what the charts told him and how one got to 27.5%. He asked for clarification as to how the text, charts and the numbers used for assumptions held together He felt that if he didn't understand the relationship then there were others that did not understand it as well.

Councilor Morissette asked Mr. Knowles if the Portland numbers were 70,000 or 50,000 the number of housing units that the City Council had discussed they would be able to have as infill and redevelopment in the City of Portland over the next 20 years?

Mr. Knowles responded that the Functional Plan assigned jurisdiction capacities based on a zero expansion of the boundary. The number that was assigned to the City of Portland was 70,000. If the City had capacity for that number, they would have achieved compliance with the Functional Plan requirements. If all jurisdictions were able to achieve that compliance based on what was known, there would be no need to expand the boundary, based on the Functional Plan assumptions. The Functional Plan was a policy document. He believed that Portland was currently very close to that number in terms of the existing zone capacity.

Councilor Morissette said so the debate of the City Council was still centering around 70,000 units?

Mr. Knowles said that there was really no debate because this was not a production target. The Functional Plan said that it was a capacity analysis together with an analysis of the codes. If the City satisfied the performance standards and that capacity, the City met the requirements of the Functional Plan. The Functional Plan had been portrayed in the public arena as a production objective. The City did not approach it this way, they planned for communities not for numbers of housing units. The City was looking at having the right capacity and the right places to create the right kinds of neighborhoods.

Councilor Morissette said the Council was dealing with 240,000 housing units and this was what the Council based the need for an expansion of the boundary in the Housing Needs Analysis, the very document being debated. He felt that the production number and the capacity number were one in the same at least from his perspective in trying to figure out what the capabilities were of the current Urban Growth Boundary.

Mr. Knowles said one way to look at it was to compare the number of units that the City of Portland permitted last year with the regional total. That number was around 25%, approximately 3300 units were permitted last year. The next fiscal year would be similar. The City of Portland was looking at this on a yearly basis. The City met their overall goals of approximately 20% of the region's growth if they were somewhere in that range. They were also able to satisfy the capacity analysis required by the Functional Plan.

Councilor Morissette said Goal 10 from state law indicated housing choice at a price that people could afford. When the Council talked about these housing unit numbers, had we taken this law into consideration? Some of those housing units needed to be with a backyard at a reasonable price. When there was debates, had they talked about the housing mix?

Mr. Knowles said that the housing mix in Portland was a pretty wide range for two reasons. One reason was they were getting about half in attached dwelling configuration, relatively smaller affordable units. The second reason was they did more than any other jurisdiction in the region to help provide subsidies where necessary to make housing affordable to people who needed them. The amount of affordable housing that Portland had, both existing and newly constructed stock, was a broad range of housing affordable to a broad range of incomes.

Councilor Morissette said that his point was not subsidized housing, just the average citizens housing and their right of choice. There was certainly a large group of people, much larger than a few years ago, that wanted a smaller piece of property. There was still a fair percentage of the population that did want a yard. It seemed that this was being missed in the overall equations. With the boundary relatively tight, there was still going to be one new home for every two that currently exist whether it be multi-family or single-family home.

Mr. Knowles said that he felt Councilor Morissette recognized in his proposal in the Functional Plan, the accessory units proposal, that there was a need for smaller housing units that would be for people who did not need that kind of space. Consistent with this proposal, the City Council had the first reading on accessory dwelling unit provision that would apply city wide, all single family zones, attached and detached. On November 12th, he believed that there would be a unanimous vote to report that out. It should be effective by the first of the year. This was an acknowledgment that there was a certain kind of housing type. In the areas of town where there was single dwelling kinds of development, they were getting those housing types that Councilor Morissette had spoken about, single family houses with yards. He felt the City was getting a good mix of everything that met the region's housing needs.

Councilor Morissette said with 2040, arguably on one side or the other, the densities were going to increase rather dramatically, met with much resistance in many neighborhoods already, as the Council went through the process, we were going to raise our densities, maintain our underbuild with about 100% compliance. This did not mix with him.

Mr. Chandler responded that Councilor Morissette's statement was accurate. He said that the reason he had not raised these points previously was because these points had just hit him recently. He had fallen into the trap of focusing on the individual numbers, the variables, and the component pieces. He felt that the 100% compliance assumption was just as large a question as the underbuild. He felt that these were important questions to be discussed but he did not have an answer. As to the assumptions being made, he asked the Council to clarify the seven variables.

Presiding Officer Kvistad asked Mr. Turpel if that information could be provided to Council.

Mr. Turpel said that they could get those figure to Council by early next week.

Councilor Naito asked the Presiding Officer Kvistad's to clarify his request to the Growth Management Department.

Presiding Officer Kvistad said that his request had to do with the percentage of underbuild "of what".

Councilor Naito said she had heard several requests, how the charts were used to get to the numbers.

Councilor Morissette said in terms of compliance with higher density, he asked what calculation we would use to be able to justify that or was that something we needed to reevaluate.

Councilor Naito stated that that was a separate issue that she was actually interested in as well. The first one that Mr. Chandler was talking about, how we got to the density numbers that we got from looking at the charts or the underbuild numbers, was of interest to her as well.

Mr. Chandler said he actually had two areas of questions. One was the infill and redevelopment calculations and what they actually said. The other was the assumption that the Functional Plan would be complied with in its entirety as our starting point.

Councilor Naito spoke to Mr. Chandler's first point, she thought it was fine and at this point she was going to go with what the staff has given her unless Mr. Chandler could point out some problems where the staff shouldn't have gotten where they did. On the other issue, she was interested in looking at it as a new issue and what was the staff's analysis of that?

Mr. Turpel had done another analysis but he would like to recheck numbers and so forth before providing it to Council.

Presiding Officer Kvistad said we were talking about 70,000 units and what he was just hearing Mr. Knowles say was that seventy was still accurate. One of the members of the Council had made a request that they be allowed to reduce that projection to 50,000. Was it not true that the Southwest neighborhood plan was based on the 70,000. The original plan and even the revised plan also looked at those numbers. The Council had been asked by a member of the Council to consider a reduction in the number. He asked Mr. Knowles to clarify, should the Council stay with 70,000 and not request the reduction to 50,000.

Mr. Knowles said to his knowledge, the city council was not going to act to request that Metro Council reduce the Functional Plan allocation capacity of 70,000. What was reported was a statement or a conversation or a feeling by one of the commissioners that to the extent that the boundary was expanded beyond zero, which was what the seventy thousand capacity figure represented, that the City of Portland might not need to achieve a 70,000 unit capacity in its zoning. The fact was that the City was nearly there now and by the time they got done with Southwest, Hollywood and St. Johns with good planning efforts they were probably going to meet that Functional Plan capacity number anyway. The City was not going to have, when they got done in Southwest, a huge amount of increased capacity. What the City was going to do was to move capacity around so that it was in the right kinds of places, taking some of the pressure off some sensitive land and putting some more into some of the main streets. It was really in the hands of the Planning Commission at this point. There was no intention of coming to Metro to formally request a change in those numbers.

Councilor Washington responded to Mr. Knowles, indicating Mr. Knowles was talking in terms of capacity and Councilor Washington thought in terms of units. If someone said they would build 70,000 houses he needed to understand this and would like Mr. Knowles to speak in terms of the capacity and the hard number.

Mr. Knowles said he thought the best way he could explain it was in terms of how we went about our planning program. When the City worked with neighborhoods and the community, they were really focused on protecting livability and stabilizing neighborhoods. That situation had changed. It used to be that in neighborhoods, particularly in Northeast Portland, the Albina area, their task was to make sure that they had a sable population which meant they needed to reverse the outflow of people leaving which had occurred from 1970 to 1990. The neighborhoods in Northeast Portland were losing population. The City's planning efforts were really directed at trying to stabilizes those neighborhoods and he thought that had been successful. There were now people moving in to that area. In outer Southeast and Southwest Portland, that had not been the City's objective because they had other kinds of concerns. People were not leaving those neighborhoods and so the City had been more focused on livability and concern about compatibility. Through that process, which had been difficult because they did not start with the right context in those neighborhoods, they started with a different context, they had now moved to where they were which was protecting compatibility of those neighborhoods. The City was not focused on having the development occur in the right places and in the right way.

The City didn't focus on production; they focused on community. There were a lot of units built in the City of Portland now, in part because they had a great place to live and in part because they had a very healthy economy. They were trying to accommodate those units in a way that was as compatible as possible but was not what they were focused on despite the allocation of capacity that was in the Functional Plan's analysis.

Councilor Washington said throughout this process, when he heard people talk, they talked in terms of housing units. They said we must produce X-number of housing units here in order to meet this population growth by this time so he was having difficulty going from units to capacity.

Mr. Knowles said, as a City, they had been compelled by the experience of other central cities in regions where there had been rapid growth. The experiences of those other cities was that people had left those inner cities. That, in fact, had been Portland's experience. They had lost population in the city boundaries until 1990 when they started to see an uptake. They had had more housing units built and more cars so it was partly the result of declining household size but the City remained concerned about the viability of neighborhoods because there was no neighborhood in America that he knew of that had gotten better when people had left and so that continued to be a driving force for the City and that was why in 1991 they set a goal of accommodating 20% of the region's growth within the city. That was not the city's share, not currently 40% like the City currently had, it was just a measure of trying to get some additional development.

Councilor Naito wanted to respond to Mr. Knowles question in that the Council was looking at trying to implement or comply with a state law which had more of the capacity argument. That was not to say that Metro had to make sure these units were actually built but they had to provide for a certain capacity. That was why she thought Metro's planning department was not necessarily concerned with this. The City was looking at livability or how they planned their community, getting a certain percentage of people to move back into the city. They were looking at those other issues and Metro was dealing with a separate issue which the City was implementing but it was relevant to what Metro needed to do to comply with state laws. That was where she think some of the dysfunction came in.

Councilor McLain indicated that was an important and creative brainstorm. It brought out some issues to which some of the audience had found answers. She needed to make some responses to that. First, the Urban Growth review was the factual document and not the implementing

document. There was a difference when you looked at what the assumptions were and what Metro was doing with that document. The issues were that 1) we were reviewing this Growth Report document with a completed 2040 concept and goal; 2) we were looking at it with a completed Future Vision; 3) we were looking at it with a completed RUGGOS and with a past Functional Plan: past meaning that 24 cities, three counties and Metro drew it up, argued it out, discussed it, built to a consensus and then the Metro Council passed it. As the Council reviewed it, the Council could not turn away from the fact that it was not 1960; 1980; 1985; it was not even 1990. The Council and Metro had a different vision, a different set of rules to go along with state law. As we looked at those, we had not to wonder about what the assumption was under underbuild. We knew that the assumption was that Metro had required an 80% density in the zoning and that Metro was asking for the jurisdictions to provide 80% density. If the local jurisdictions could not do that 80% because of slopes, because of the different configuration of a particular lot; because of the size of a piece, there was a responsibility factor in the Functional Plan, not in the Growth Report that Metro had been working on diligently in the area of Title VIII and Title IX of compliance that indicated if the local jurisdictions could not built there or if they had some Greenspace with our Greenspace resolution that Councilor Morissette brought up just recently, they must demonstrate where in their Main Streets, where in the Regional Centers, where in another part of the configuration of their jurisdiction they could provide that density. Metro stated that 80% density was important to the concept of the 2040 good design, good structure, compact urban form and connecting land use with transportation. That was how the Council was going to have to review these assumptions and these particular numbers.

Councilor McLain then responded to the comments she had heard and told the Council why she was asking after what they had just heard, to move from a 27% underbuild to a 20% underbuild. The reasons that she felt that this was important was 1) Metro had a requirement in the Functional Plan; 2) had a commitment to the Regional Growth Goals and Objectives (RUGGOS) with which Metro was going to comply with the 2040 Growth Concept and the values that the Council said were important to them. Those were the Council's goals. They were not the goals five years ago; they were not the goals three years ago but they were the current goals and they had been acknowledged today.

She addressed the second issue regarding the underbuild/redevelopment and infill. The Council needed to discuss the new opportunities that were not available before. What were the new opportunities in zoning? The Council talked about accessory units coming up with a new set of rules in Portland. What were the transportation plans? What about the stationary areas out in western Washington County along the light rail. There were new opportunities out there and she thought what that pointed out was why Metro had looked at the last two years versus the perspective of a ten-year or a decade review. A decade ago, the region did not have those opportunities. Metro now had the new data from 1995 and 1996 which indicated that there were more things that were possible. Another argument was that two to four years ago, there was developers that did not know how to do infill and redevelopment successfully. It could not be penciled out because they were new at it. The region was getting a lot more in the way of marketable units, that indicated that the developers were getting very good at this new type of infill and redevelopment.

Councilor McLain then commented about backyards and the idea that we all wanted to give choice and give a variety of choices to the public: the Council had not said that people could not have back yards. They had not said that every single unit had to be in a 5000 square-foot lot. The Council had indicated that they wanted more of a pool of resources that included detached, single homes, that included homes that could be condominium or garden apartment. It could be a number of different housing stocks. Mr. Morissette had built a beautiful example of innovative

housing in Wilsonville. She thought that there was some opportunities to do things differently in 1997 to 1999 than ever before.

She spoke of the idea of a 20-year number. Metro was assuming that same underbuild and that same type of infill and redevelopment assumptions for 20 years. That was where Metro was starting. They were starting with the newest Urban Growth Report and they were using that as the best possible information Metro had as Metro's staff pointed out. That did not mean that the staff got to stop work. This meant that Metro continued to gather information and that there would be some changes in the next two to four years on that data. Metro continued to be required by law to gather it. Metro continued to be required by law to forecast the population and continued to be, by law, required to do the Housing Needs Analysis which would be the document the Council got to after the Urban Growth Report.

She knew that she was a concrete, sequential person and she liked lists. The issue of the amendments was that she had tried to respond to new information. The people on the Growth Management Committee had been working with this information day and night; some of them for five to seven years. She understood the basics of what she was being expected to review in the variables. As far as infill and redevelopment went, Mr. Morissette and she were part of the Urban Growth Report process 18 months ago. The Committee discussed not just what the facts were in the results and not just what the facts might possibly be in the new work that they had asked staff to do, but when they did some analysis at the committee, she was moving from 27% to 20% because she believed that the new information in her analysis of the new world and what they had to expect because of the Functional Plan required Metro to review that number for underbuild. She had understood underbuild, she had not changed her mind, new information and materials had supported these recommended changes. She noted that she and Councilor Morissette had disagreed, they understood this and had agreed not to try and convince each other.

Councilor Morissette said let us not lose sight of the fact that state law required that people of all income levels have choices. This plan clearly did not allow for that. The wealthiest were going to get back yards. If you penciled it out, without already having ownership coming out of the house so one had equity, the ability for someone to be able to afford that house at 35% of renters, your kids and mine, they were going to have a very difficult time. The region had gone from one of the most affordable housing markets in the county to one of the least affordable housing markets in this wonderful 2040 planning process. There had been good things in it and there had been some bad. He felt we were hurting people's ability to afford homes and have those varied choices. We were causing sprawl because people had discovered that they could get a yard at a reasonable price in the outer lying areas. Amendment? He had proposed no amendments yet so it was fair to debate with all that consensus building Councilor McLain was talking about. The rules were changing in his opinion. Granted, it was fair to say some sets of information caused one to want to move but there was an equal number of other attractions such as parks or building on farmland inside the UGB that should be arguing to moderate some of the aggressiveness. He said, let nothing be more important than affordability. When a family was unstable and could not afford to provide for themselves, a whole lot of stuff shook. He had shown the Council a lot of examples of that. Many people had advocated before Council constantly that already had what the Council was talking about. It was pretty easy for them to advocate for that. They were living on much larger pieces than would ever be built in the 2040 plan. Hypocritical. Wilsonville: Nine units per acre. This did not even come close to what the density would have to be to make the 2040 concept work. He was very proud of his project. He could assure the Council it was very complicated and costly to build on those small lots. He loved the project and it was meeting with great success. The fact of the matter was that it wasn't the 2040 density. That was a flat piece of

land that, under 2040, would have to accommodate many more housing units that what it currently did. Much higher density and much high compliance. Were we dreaming?

Councilor Naito had placed a memo in some of the Council boxes. She had asked staff for additional information on the parks issue. This memo discussed that issue. She thought that it was an important area within the urban community. If the Council wanted to maintain the densities, she thought that park land would be important to have for everyone's enjoyment. She thought that was something that she would carry forward at the time the Council voted.

Councilor Washington had a question about Variable VI. They were presently at a 27.5% density. What happened for every percentage point we went up. What would happen if we went to 40%?

Mr. Turpel responded that the percentage was the total number of dwelling units that Metro had forecast that were needed so that would be 248,900. He thought that Councilor Washington had a copy of the document of September 9, 1997 which showed that 29% was the number of units that would be accommodated. The number would be 72,181. Going another percentage point to 30% would change that to 74,670.

Presiding Officer Kvistad was very concerned and wanted to keep the Council on point that the Urban Growth Report was not a static document that had not been looked at before. The Council had already dealt with this and had set the numbers. The Council had huge fights over what some of them felt was a tweaking of the numbers that currently existed to change the outcome in ways that he was not comfortable with. As the Council changed it again, he was very uncomfortable with moving further. He had said so both publicly and privately and at this dais. He always tried to read through the materials that came and tried to understand the amendments there. Councilor McLain had had discussions on these amendments and she knew that he probably wouldn't be there. He felt the Council was using some of these numbers for general concepts of social engineering and political correctness. The Council was not looking at market forces and private sector partnerships to develop the kind of community in the long term that he thought were important. These discussions were very difficult. The Council tried to do them with style and good humor, with as much as grace as was possible. As some of the Councilors knew, they were all fighting for what they thought was the best for this community and for the long-term health. It really was a difficult place to be. With that being said, he really hoped the Council didn't move anywhere further down the track of changing these numbers simply to get them lower and an unjustified edge movement in reducing the number of acres on the edge simply because it was popular.

Councilor McLain thought it was important for folks to realize that her amendments were not made on the basis of popularity or because she was trying to be a social engineer. It was a situation where she looked at the facts that were given to her. Variable VI was 27.5% in 1995. In 1996, it was 29%. Those numbers were the ones at which she was looking. She was going to analyze what those numbers meant. Where Mr. Morissette disagreed was where she believed this looked like a trend that could be sustained. Whereas Mr. Morissette said that it was something that could not be sustained. It was not that she thought the Growth Management Department was trying to manipulate numbers. Rather, they were analyzing those numbers and were seriously trying to figure out what those numbers meant and what the Council vote needed to be to support that.

Presiding Officer Kvistad announced that the next time the Council discussed the Urban Growth Report would be on October 23, 1997. The Council would now move to a brief discussion on

Resolution 97-2559 which was the Housing Needs Analysis. The Council would complete their discussions on the Urban Growth Report prior to completion of the Housing Needs Analysis. It was anticipated that the Housing Needs Analysis would be acted on one to two weeks following the completion of the Regional Framework Plan.

Councilor McLain said the decisions that the Council made in the Urban Growth Report would make a difference on completing the Housing Needs Analysis. It also would be dependent on the title that we put in the Regional Framework Plan on housing and there had been a show of support to do something on housing in the Regional Framework Plan. How detailed that was and what the tools were would make a difference on what Metro came up with as far as the final analysis on the housing needs. The Council planned on finishing up the Urban Growth Report on October 23. They planned on getting to a decision on the basic Regional Framework Plan by November 20. After Thanksgiving, the Council would take up the Housing Needs Analysis.

9. COUNCILOR COMMUNICATION

Presiding Officer Kvistad mentioned again the public hearings on October 16 in Beaverton and on October 23 at Metro on the Regional Framework Plan. The Council hoped that the public would come and attend. November 13 would be a follow-up of the public hearing here, also at Metro.

10. ADJOURN

There being no further business to come before the Metro Council, Presiding Officer Kvistad adjourned the meeting at 4:32 p.m.

Prepared by,

Chris Billington Clerk of the Council

Document Number	Document Date	Document Title	TO/FROM	RES/ORD
100997c-01	no date listed	LOTI	TO: Metro Council FROM: Art Lewellyn	
100997c-02	7/17/97	Agri-Business Council of Oregon Action Plan for Keeping Agriculture Viable in the Portland Metro Area	TO: Metro Council FROM: Agri- Business Councilor of Oregon	Resolution No. 97-2550
100997c-03	10/9/97	Amendments to the Urban Growth Report	TO: Metro Council FROM: Councilor	Resolution No. 97-2550

8				
100997c-04	10/9/97	Amendments to the Urban Growth Report	McLain TO: Metro Council FROM: Lisa Naito	Resolution No. 97-2550
100997c-05	9/97	Metropolitan Greenspaces Habitat Restoration Grants Program Project Reviews	TO: Metro Council FROM: Lynn Woods Parks and Openspaces	
100997c-06	10/6/97	Letter concerning Urban Growth Report	TO: Jon Kvistad and Metro Council FROM: David Knowles Director City of Portland Planning	Resolution No. 97-2550