

A G E N D A

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**METRO**

**Agenda**

MEETING: METRO COUNCIL REGULAR MEETING  
DATE: September 29, 2005  
DAY: Thursday  
TIME: 2:00 PM  
PLACE: Metro Council Chamber

**CALL TO ORDER AND ROLL CALL**

**1. INTRODUCTIONS**

**2. CITIZEN COMMUNICATIONS**

**3. NORTH PORTLAND ENHANCEMENT GRANT COMMITTEE PRESENTATION**

**4. CONSENT AGENDA**

4.1 Consideration of Minutes for the September 22, 2005 Metro Council Regular Meeting.

4.2 **Resolution No. 05-3611**, For the Purpose of Authorizing the Chief Operating Officer to Execute Amendment 2 to the Contract No. 922793 with Reischman Concerts LLC for Provision of an Additional Concert at the Oregon Zoo.

4.3 **Resolution No. 05-3619**, Considering an Amendment to Metro Contract No. 924828 for a Shared Revenue Contract for Lease of a Portable Simulation Theater at the Oregon Zoo.

**5. RESOLUTIONS – PUBLIC HEARING – TIME CERTAIN**

5.1 **Resolution No. 05-3600**, For the Purpose of Entering an Order Relating to Compliance with the Urban Growth Management Functional Plan. Newman

5.2 **Resolution No. 05-3620**, For the Purpose of Entering an Order Relating To an Application by Clackamas County for an Exception from Title 3 Of the Urban Growth Management Functional Plan. Newman

**6. ORDINANCES - SECOND READING**

- 6.1 **Ordinance No. 05-1091**, For the Purpose of Amending Provisions of Metro Code Chapter 7.01 Relating to Excise Tax imposed on Certain Consumer And Exhibitor Payments at the Metropolitan Exposition-Recreation Commission Facilities. Park
- 6.2 **Ordinance No. 05-1095**, For the Purpose of Amending the FY 2005-06 Appropriations Recognizing Grants and Donations to the Oregon Zoo, Adding 2.0 Limited Duration FTE; and Declaring an Emergency. Newman
- 6.3 **Ordinance No. 05-1077C**, Amending the Regional Framework Plan and the Urban Growth Management Functional Plan Relating to Nature in Neighborhoods. Hosticka

**7. RESOLUTIONS**

- 7.1 **Resolution No. 05-3612**, For the Purpose of Stating an Intent to Submit to the Voters the Question of the Establishment of a Funding Measure to Support Natural Area Protection and Establishing a Blue Ribbon Committee; and Setting Forth the Official Intent of Metro to Reimburse Certain Expenditures Out of the Proceeds of Obligations to Be Issued in Connection With the Regional Parks and Greenspaces Program. Hosticka
- 7.2 **Resolution No. 05-3613**, For the Purpose of Approving an Investment by the Metro Tourism Opportunity and Competitiveness Account (MTOCA) to fund the Replacement of the Audio Visual Head End Room Equipment at the Oregon Convention Center. Park

**8. CHIEF OPERATING OFFICER COMMUNICATION**

**9. COUNCILOR COMMUNICATION**

**ADJOURN**

**Television schedule for Sept. 29, 2005 Metro Council meeting**

<b>Clackamas, Multnomah and Washington counties, and Vancouver, Wash.</b> Channel 11 -- Community Access Network <a href="http://www.yourtv.org">www.yourtv.org</a> -- (503) 629-8534 2 p.m. Thursday, Sept. 29 (live)	<b>Portland</b> Channel 30 (CityNet 30) -- Portland Community Media <a href="http://www.pcmtv.org">www.pcmtv.org</a> -- (503) 288-1515 8:30 p.m. Sunday, Oct. 2 2 p.m. Monday, Oct. 3
<b>Gresham</b> Channel 30 -- MCTV <a href="http://www.mctv.org">www.mctv.org</a> -- (503) 491-7636 2 p.m. Monday, Oct. 3	<b>Washington County</b> Channel 30 -- TVC-TV <a href="http://www.tvctv.org">www.tvctv.org</a> -- (503) 629-8534 11 p.m. Saturday, Oct. 1 11 p.m. Sunday, Oct. 2 6 a.m. Tuesday, Oct. 4 4 p.m. Wednesday, Oct. 5
<b>Oregon City, Gladstone</b> Channel 28 -- Willamette Falls Television <a href="http://www.wftvaccess.com">www.wftvaccess.com</a> -- (503) 650-0275 Call or visit website for program times.	<b>West Linn</b> Channel 30 -- Willamette Falls Television <a href="http://www.wftvaccess.com">www.wftvaccess.com</a> -- (503) 650-0275 Call or visit website for program times.

**PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times.**

Agenda items may not be considered in the exact order. For questions about the agenda, call Clerk of the Council, Chris Billington, (503) 797-1542. Public hearings are held on all ordinances second read and on resolutions upon request of the public. Documents for the record must be submitted to the Clerk of the Council to be considered included in the decision record. Documents can be submitted by e-mail, fax or mail or in person to the Clerk of the Council. For additional information about testifying before the Metro Council please go to the Metro website [www.metro-region.org](http://www.metro-region.org) and click on public comment opportunities. For assistance per the American Disabilities Act (ADA), dial TDD 797-1804 or 797-1540 (Council Office).

BEFORE THE METRO CONTRACT REVIEW BOARD

FOR THE PURPOSE OF AUTHORIZING THE	)	RESOLUTION NO. 05- 3611
CHIEF OPERATING OFFICER TO EXECUTE	)	
AMENDMENT 2 TO THE CONTRACT NO.	)	Introduced by Chief Operating Officer
922793 WITH REISCHMAN CONCERTS LLC		Michael Jordan with concurrence of Council
FOR PROVISION OF AN ADDITIONAL		President Bragdon
CONCERT AT THE OREGON ZOO		

WHEREAS, Metro operates the Oregon Zoo; and,

WHEREAS, the Oregon Zoo has a five year contract beginning in 2001 with Reischman Concerts LLC to provide concerts at the Zoo during the summer months; and,

WHEREAS, the contract between the Oregon Zoo and Reischman is in the final year and ends October 2005; and,

WHEREAS, Metro Code 2.04.046 limits increases in cost amount through amendments for contracts that exceed \$1,000,000 that may be authorized by the Chief Operating Officer to \$100,000; and,

WHEREAS, Amendment 2 to the contract is proposed to increase the contract by \$55,000 for the last year of the contract; now therefore,

BE IT RESOLVED that the Metro Council, sitting as the Metro Contract Review Board, authorizes the Chief Operating Officer to execute Amendment 2 to Contract No. 922793 in a form substantially similar to that set forth as the attached Exhibit "A".

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_, 2005

\_\_\_\_\_  
David Bragdon, Council President

Approved as to Form:

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney



## STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 05-3611, FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING OFFICER TO EXECUTE AMENDMENT 2 TO THE CONTRACT NO. 922793 WITH REISCHMAN CONCERTS LLC FOR PROVISION OF AN ADDITIONAL CONCERT AT THE OREGON ZOO

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Date: August 8, 2005

Prepared by: Cinna'Mon Williams and Carmen Hannold

### BACKGROUND

The Oregon Zoo currently contracts with Reischman Concerts LLC to provide the concert series at the Zoo each summer. This contract began in February 2001 and is currently set to conclude October 31, 2005 (and will be re-bid).

The Zoo concert budget increased over the last four years due to increased performer fees and production costs. The Metro Council amended the contract May 5, 2005 (Resolution 05-3572) by an additional \$435,000 to appropriate funds for the increase. Increased revenues offset all increased expenditures.

Due to significant interest in the group Pink Martini, the Zoo added an additional concert with Pink Martini for August 12, 2005. At this writing, the addition of this concert is expected to yield \$39,905 in net profit for the Zoo. We expect it will cost \$45,000 to cover the expenses of procuring the concert.

Additionally, there are some incidental expenses totaling \$6,821.94 remaining from the concert series this summer.

We are requesting an amendment of \$55,000 to cover these expenses.

Original contract amount	\$2,173,734
Amendment YTD	\$ 435,000
Amount spent YTD	\$2,603,032
Amount Remaining	\$ 5,702

**Requested amendment      \$    55,000**

Metro Code Section 2.04.046 requires the approval of the Metro Council for amendments to personal services contracts greater than \$50,000 for any amendment that increases the total amount payable to an amount more than \$100,000 greater than the initial contract amount.

## **ANALYSIS/INFORMATION**

1. Known Opposition: None
2. **Legal Antecedents:** Metro Code Section 2.04.046.
3. **Anticipated Effects:** The contract amount increase will allow for an additional concert at the Oregon Zoo.
4. **Budget Impacts:** \$55,000 offset by additional concert revenues and incidental expenses.

## **RECOMMENDED ACTION**

The Chief Operating Officer recommends approval of Resolution 05-3611.

BEFORE THE METRO CONTRACT REVIEW BOARD

CONSIDERING AN AMENDMENT TO METRO	)	Resolution No. 05-3619
CONTRACT NO. 924826, FOR A SHARED	)	
REVENUE CONTRACT FOR LEASE OF A	)	Introduced by Chief Operating Officer
PORTABLE SIMULATION THEATER AT THE	)	Michael J. Jordan, with the concurrence of
OREGON ZOO	)	Council President David Bragdon
	)	
	)	

WHEREAS, Metro and Iwerks Entertainment, Inc. entered into a shared revenue contract for a maximum contract price of \$225,000 to provide a portable simulation theater for use at the Oregon Zoo; and

WHEREAS, the projected revenue exceeded projections and subsequently the revenue share anticipated for Iwerks Entertainment; and

WHEREAS, the total amount of all amendments-to-date is \$25.000; and

WHEREAS, the contract requires an amendment of \$175,000 to fulfill expected obligations in the remaining contract term to April 30 2006; and

WHEREAS, pursuant to Metro Code Section 2.04.046(b), Council approval is required for any amendment to a public contract which causes the total amount of amendments to exceed \$100,000 more than the original contract; and

WHEREAS, the Metro Council has determined that it is appropriate to amend the above-named contract in light of the policies set forth in ORS 279A.015 and ORS 279B.010;

WHEREAS, the Chief Operating Officer recommends the amendment of the contract and has therefore forwarded this matter to the Council for approval; now therefore

BE IT RESOLVED

That the Chief Operating Officer is authorized to execute amendment No. 2 to Contract No.924826 in a form substantially similar to that shown in the attached Exhibit A.

ADOPTED by the Metro Council this \_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
David Bragdon, Council President

Approved as to Form:

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney





## **STAFF REPORT**

### **CONSIDERING AN AMENDMENT TO METRO CONTRACT NO. 924826, FOR A SHARED REVENUE CONTRACT FOR LEASE OF A PORTABLE SIMULATION THEATER AT THE OREGON ZOO**

Date: August 30, 2005 Prepared by: David Biedermann

## **BACKGROUND**

Metro and Iwerks Entertainment, Inc., entered into an agreement in 2003 for the contractor to provide a portable ride simulation theatre at the Oregon Zoo. The original agreement was a lease with proceeds going to the Zoo. The agreement was re-negotiated in 2004 as a shared revenue agreement that enhanced the Zoo's profit margin and extended the contract through April of 2006. A change order was executed to allow for the anticipated increased revenue.

Subsequently, the revenue has now exceeded even those estimates. As a result, Metro is committed to pay the vendor a higher-than-anticipated share of the revenue, and the contract (including Change Order 1) is insufficient to allow that.

For that reason, staff proposes executing a second amendment to increase the contract by \$175,000 (to a total of \$400,000) to cover all revenue sharing expected until the contract terminates in April of 2006. This includes the revenue sharing commitment and the various movie-licensing fees required, such as \$30,000 for the Sponge Bob feature.

Metro Code 2.04.058 (a)(3) allows..." The Chief Operating Officer may execute amendments to public contracts (so long as) ...(t)he amount of the aggregate cost increase resulting from all amendments does not exceed 20 percent of the initial contract if the face amount is less than or equal to \$1,000,000 or. ...(t)he Metro Contract Review Board has authorized the extension of the contract amendment."

## **ANALYSIS/INFORMATION**

1. **Known Opposition** None.
2. **Legal Antecedents** Metro Code Section 2.04.058 requires the approval of the Metro Contract Review Board for amendments to public contracts that exceed 20 percent of the contract total if that total is less than \$1,000,000.
3. **Anticipated Effects** Payment for the additional revenue commitment.
4. **Budget Impacts:** If approved by the Metro Public Contract Review Board, the Oregon Zoo will execute a budget amendment to reflect that action.

**RECOMMENDED ACTION:** The Chief Operating Officer recommends approval of Resolution 05-3619.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENTERING AN ) Resolution No. 05-3600  
ORDER RELATING TO COMPLIANCE WITH )  
THE URBAN GROWTH MANAGEMENT )  
FUNCTIONAL PLAN ) Introduced by David Bragdon, Council President

WHEREAS, Title 8 of Metro Code Chapter 3.07, the Urban Growth Management Functional Plan (“UGMFP”), requires the Chief Operating Officer to submit a report to the Metro Council on the status of compliance of cities and counties with each requirement of the UGMFP, and to provide public notice of the report; and

WHEREAS, the Chief Operating Officer submitted a report to the Metro Council, entitled “Urban Growth Management Functional Plan Annual Compliance Report, December 23, 2004”, and provided public notice of the report; and

WHEREAS, the Metro Council held a hearing for the purpose of taking testimony on the question whether cities and counties have complied with the UGMFP on September 29, 2005, and heard testimony from interested persons, cities and counties and the Metro staff on the question; and

WHEREAS, Title 8 requires the Metro Council to enter an order that determines the status of each city’s and county’s compliance with the requirements of the UGMFP, and to send a copy of the order to all cities and counties and all persons who participated at the hearing; now, therefore,

BE IT RESOLVED:

1. The Metro Council adopts Order No. 05-002, attached to this resolution as Exhibit A, which accepts the “Urban Growth Management Functional Plan Annual Compliance Report, December 23, 2004”, as revised on August 31, 2005, as the Council’s determination of the status of city and county compliance with the UGMFP, pursuant to subsection 3.07.880C of the Metro Code.
2. The Metro Council directs the Chief Operating Officer to send a copy of Order No. 05-002, with the Compliance Report, to all cities and counties and all persons who participated at the hearing, pursuant to subsection 3.07.880C of the Metro Code.

ADOPTED by the Metro Council this 29<sup>th</sup> day of September, 2005

\_\_\_\_\_  
David Bragdon, Council President

Approved as to form:

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney

Exhibit A to Resolution No. 05-3600

Order No. 05-001

RELATING TO COMPLIANCE WITH THE  
URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN

IT IS ORDERED THAT:

1. The Metro Council accepts the report from the Chief Operating Office entitled “Urban Growth Management Functional Plan Annual Compliance Report, December 23, 2004”, attached to this order as Exhibit B, as fulfilling the requirements of subsection 3.07.880A of Title 8 of the Urban Growth Management Functional Plan (“UGMFP”).
2. Based upon the Urban Growth Management Functional Plan Annual Compliance Report and testimony received at the public hearing on September 29, 2005, the Council adopts Appendix A of the Compliance Report as its determination of the status of city and county compliance with the requirements of the UGMFP, as required by of section 3.07.880 of Title 8 of the UGMFP.

ENTERED this 29th day of September, 2005.

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David Bragdon, Council President

Approved as to form:

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Daniel B. Cooper, Metro Attorney

**URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN  
ANNUAL COMPLIANCE REPORT  
December 23, 2004  
Revised August 31, 2005  
DRAFT**

**INTRODUCTION**

Metro Code 3.07.880 requires an annual Urban Growth Management Functional Plan Compliance Report and requires that this report include:

- An accounting of compliance with each requirement of the Functional Plan by each city and county in the district.
- A recommendation for action that would bring a city or county into compliance with the functional plan requirement and advice to the city or county whether it may seek an extension pursuant to Metro Code 3.07.850 or an exception pursuant to Metro Code 3.07.860.
- An evaluation of the implementation of the Functional Plan and its effectiveness in helping achieve the 2040 Growth Concept.

This report outlines the status of each local government's effort to comply with Titles 1 through 7 and Title 11 of the Functional Plan since the adoption of the 2003 Compliance Order and any outstanding compliance issues. Compliance for Titles 1 through 7 is presented in a compliance matrix in Appendix A, Tables 1 through 7 and summarizes compliance by jurisdiction. Attachment 1 to this compliance report is the Title 7 Affordable Housing component that provides a detailed analysis of Title 7 compliance issues. Title 11 reporting is presented by area rather than by jurisdiction.

**EVALUATION OF THE IMPLEMENTATION OF THE FUNCTIONAL PLAN**

A primary goal of regional policy contained in the Regional Framework Plan is efficient use of land within the urban growth boundary (UGB). The Urban Growth Management Functional Plan helps the region achieve that goal by setting forth specific actions that local governments can take to use land more efficiently. Those actions include setting minimum densities, increasing zoned capacities for dwelling units and jobs, permitting accessory dwelling units, limiting the amount of land dedicated to parking and enhancing the role of centers in the region.

The region has reached a compliance rate of 99% for Titles 1 through 6 requirements as shown in Appendix B. Compliance for Title 7 is at 62% and only three local governments have met all of the Title 7 reporting requirements. Passage of ballot measure 37 has delayed some local government action on Title 3 compliance legislation.

Some progress is being made by those local governments that have Title 11 planning responsibilities, however, compliance with Title 11 is complex and expensive. For example, new areas will often be governed and serviced by more than one jurisdiction or service provider, requiring multi-party coordination. Even if the area falls within one jurisdiction, it can be costly and time-consuming to carry out the Title 11 planning. Furthermore, some of the areas are not contiguous to city boundaries, requiring intervening land to be annexed prior to Title 11 planning. As a result of these issues, several areas will likely not meet deadlines scheduled for 2005. According to the Office of Metro Attorney, the Council has several options available to it

should local governments not meet their Title 11 deadline. These include 1) extension of time to complete planning, 2) amending the UGB ordinance to allow more time for completion by a local government, 3) providing Metro resources to assist local government, 4) relying on landowners in an area to complete Title 11 planning for consideration by the local government or 5) pursue an enforcement action according to Metro Code. These may not be the only options available to the Council. If the Council chooses, staff can research further possible options.

## **GENERAL COMPLIANCE ISSUES**

Ordinance No. 02-969B, adopted by the Metro Council in December 2002, contained amendments to Titles 1, 4 and 6 of the Functional Plan. Ordinance No. 04-1040B, adopted by the Metro Council in June 2004, amended Title 4 of the Functional Plan. A number of these amendments require local governments to take action by July 7, 2005 to comply with new requirements. In addition, when land is brought into the Urban Growth Boundary, conditions including a timeline for compliance are placed on those areas. In May 2004, the Chief Operating Officer sent a letter to local governments clarifying the requirements of the third year (2004) report of Title 7. These compliance issues are summarized below.

### Title 1: Requirements for Housing and Employment Accommodation

Two reporting requirements were added to Title 1. Local governments are required to report annually on changes in capacity and biennially on the actual density of new residential development.

### Title 4: Industrial and Employment Areas

A new design type, Regionally Significant Industrial Areas (RSIAs) was added and changes were made to Industrial Areas. Local jurisdictions will have new reporting requirements in 2005.

### Title 6: Central City, Regional Centers, Town Centers and Station Communities

Title 6 requires each city and county with a center shown on the 2040 Growth Concept Map to develop a strategy to enhance centers within their jurisdiction by December 31, 2007. To assist in evaluating the effectiveness of Title 6, each local government with a center is to biennially report on the progress of Centers. The next report will be due April 15, 2006.

### Title 7: Affordable Housing

Title 7 requires each jurisdiction to: a) adopt voluntary affordable housing production goals; b) adopt policies ensuring that their comprehensive plan and implementing ordinances include diverse range of housing, measures to maintain existing supply and increase dispersion of affordable housing, and measures to increase housing for all income levels; c) consider amendment of their comprehensive plan and implementing ordinances with land use tools and strategies; and d) submit three progress reports in 2002, 2003 and 2004.

In May 2004, Metro's Chief Operating Officer sent a letter to local jurisdictions clarifying the requirements of the third year (2004) report due in June 2004. The third report requires that:

*"...each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city and county to increase the community's stock of affordable housing, including but not limited to the tools and strategies in subsection 3.07.730.B. "*

As used above:

Outcome includes:

1. Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served; and
2. Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)
3. Pending amendments to the comprehensive plan and implementing ordinances.

Public response means: A summary of comments of developers and citizens expressed during the consideration of affordable housing strategies, including the following:

1. Affordable housing production goals;
2. Policies to ensure diversity of housing types, maintaining the existing supply and increasing the opportunities for new dispersed affordable housing, and increasing opportunities for household of all income levels to live within the jurisdiction;
3. Land use affordable housing tools and strategies: i) density bonus; ii) replacement housing; iii) inclusionary housing; iv) transfer of development rights; iv) elderly and people with disabilities; vi) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and vii) parking;
4. Other affordable housing tools and strategies: i) replacement housing resulting from urban renewal; ii) inclusionary housing in urban renewal districts; iii) fee waivers or funding incentives; iv) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and v) joint coordination or action to meet the affordable housing production goals; and
5. Funding for housing.

#### Title 8: Compliance Deadlines

Metro is required to notify local governments of the deadlines for compliance with the requirements of the Functional Plan. Appendix C lists the schedule of compliance dates.

#### Title 11: Planning for New Urban Areas

The purpose of Title 11 is to guide planning for conversion from rural to urban use for land that is brought into the UGB. Interim protection measures and planning requirements are placed on the land as a condition to the ordinances that add land to the UGB. The conditions include a timeline for compliance that varies by area.

### **OUTSTANDING COMPLIANCE ISSUES BY TITLE**

**Title 1:** Wilsonville has not provided a capacity analysis as required by Title 1.

**Title 3:** Lake Oswego, West Linn and Clackamas County have not fully complied with the Water Quality Performance Standards as required by Title 3. Clackamas County has requested an exception to Title 3 Water Quality Performance Standards.

**Title 6:** Gresham did not submit a progress report on Centers as required by Title 6.

#### **Title 7:**

- Three jurisdictions – Beaverton, Portland and Multnomah County – have fully complied with all the requirements of Title 7 by submitting the three progress reports, adopting affordable

housing production goals and policies in their comprehensive plans and code, and adopting most of the land use strategies.

- Two jurisdictions – Fairview and King City – have complied with almost all of the Title 7 requirements by indicating the two strategies currently implemented in the cities, and considering but declining to adopt the rest of the strategies.
- Four jurisdictions – Cornelius, Johnson City, Rivergrove and Sherwood – have not submitted any of the three progress reports.
- The other 18 jurisdictions<sup>1</sup> have complied partially with the Title 7 requirements.

These compliance issues are shown in Appendix D, Outstanding Compliance Elements.

## **RECOMMENDATIONS FOR ACTION TO BRING JURISDICTIONS INTO COMPLIANCE WITH TITLES 1 THROUGH 7**

### Titles 1 through 6

There are five jurisdictions – Gresham, Lake Oswego, West Linn, Wilsonville, and Clackamas County -- that have not yet met all of the requirements of Titles 1 through 6. Lake Oswego and West Linn are not in compliance for Title 3 Water Quality Resource Area Performance Standards. Gresham has not submitted a Centers progress report as required by Title 6 and Wilsonville has not submitted a capacity analysis required by Title 1. Lake Oswego and West Linn are working on their compliance requirements. Clackamas County is requesting an exception to Title 3 for a small portion of the county. Staff recommends that Gresham and Wilsonville formally be requested to attend the public hearing on compliance to explain to the Council the status of their compliance work and when the work will be completed.

### Title 7

Ten jurisdictions (Beaverton, Durham, Fairview, Gladstone, Maywood Park, Portland, Tigard, West Linn, Multnomah County and Washington County) have submitted the three progress reports, but only three (Beaverton, Portland and Multnomah County) have fully complied with Title 7 requirements. Among the remaining jurisdictions, some have submitted one or two reports that do not have complete information, while four (Cornelius, Johnson City, Rivergrove and Sherwood) have not submitted any report.

Staff recommends that the assessment of the region's affordable housing supply effort in early 2005 will provide comprehensive information on factors creating barriers to affordable housing production in the region. The information will help the new HTAC to be created in early 2005 by the Metro Council to understand the housing problems in the region and recommend appropriate roles for the variety of local jurisdictions in the region.

## **TITLE 11: PLANNING FOR NEW URBAN AREAS**

Title 11 guides planning for converting land brought into the UGB from rural to urban uses. Title 11 has interim protection measures (Metro Code 3.07.1110) and planning requirements (Metro Code 3.07.1120). When land is brought into the boundary, meeting the requirements of Title 11 is one of the conditions of approval. Title 11 does not require interim protection measures to be codified in local comprehensive plans and implementing ordinances.

<sup>1</sup> The new City of Damascus is not included in this count.



Since land is added to the UGB by area, not all jurisdictions are required to comply with Title 11. A jurisdiction may have more than one area added at one time or over a series of additions to the boundary and all must meet the requirements of Title 11. As a result, compliance is reported on an area basis rather than on a jurisdictional basis.

### 3.07.1110 Interim Protection of Areas Brought into the Urban Growth Boundary

This section requires no affirmative actions by local governments. Instead, it includes four provisions for preserving the condition of land until the planning requirements of Metro Code 3.07.1120 are completed. The local governments responsible for the protection measures are the counties. An exception to this is Area 94 brought into the UGB in 2002 and largely within the City of Portland.

Under this section, a county may not approve any of the following four actions:

1. Land use regulations or zoning map amendments that increase residential density
2. Land use regulations or zoning map amendments that allow commercial and industrial uses not previously allowed to occur prior to the completion of the concept planning process
3. Any land division or partition that would result in the creation of any new parcel that would be less than 20 acres in total size
4. In a Regionally Significant Industrial Area, a commercial use that is not accessory to an industrial use, schools, churches or other institutional or community services intended to serve people who do not work or reside in the area

The counties, under Title 8 (Metro Code 3.07.820), are currently required to report to Metro land use regulations or zoning map amendments such as items 1 and 2 above. During this reporting period, Metro has not received notification of any such action by Clackamas, Multnomah or Washington counties. The Metro Code does not require counties to notify Metro of "land use decisions" such as land divisions or conditional use permits in a specific zone thus Metro has no information to report on measures 3 and 4. During the past year, Clackamas, Multnomah and Washington counties have not approved any of the above listed actions and thus are in compliance with the Title 11 interim protection measures.

### 3.07.1120 Urban Growth Boundary Amendment Urban Reserve Plan Requirements

This section requires that all land added to the UGB be subject to adopted comprehensive plan amendments consistent with all applicable titles of the Functional Plan including the requirements of Title 11 planning. Either a city or a county can complete the planning. As a condition of approval for all land added to the UGB in 2002 and 2004 a timeframe was placed on individual areas for completion of the Title 11 planning. At this time, no local jurisdiction is out of compliance with Title 11 planning requirements; however, several jurisdictions will likely not meet their March 2005 planning timeline. The chart below summarizes the status of each Title 11 planning area. A map showing these areas will be available in January 2005.

**TITLE 11 NEW AREA PLANNING  
(as of December, 2004)**

<b>Project</b>	<b>Lead Government</b>	<b>Plan Deadline</b>	<b>Status</b>
<b>1998 UGB Expansion</b>			
Pleasant Valley Concept Plan	Gresham and Portland	NA	Concept plan and implementation planning completed; zoning adopted
<b>1999 UGB Expansion</b>			
Villebois Village	Wilsonville	NA	Concept plan and comprehensive plan amendments & zoning complete; construction underway
Witch Hazel Community Plan	Hillsboro	March 2005	Concept plan complete; City adopted comprehensive plan amendment in February 2004; zoning will be adopted upon annexation.
<b>2002 UGB Expansion</b>			
Springwater Community Plan	Gresham	March 2005	Planning process ongoing; three alternatives have been narrowed to one
Damascus/Boring Concept Plan	Clackamas County	March 2007	Core values completed; inventory phase complete; alternatives developed and now being evaluated
Park Place Master Plan	Oregon City	March 2007	Developer portion of area to work with neighborhood residents in developing plan for all three sites
Beavercreek Road	Oregon City	March 2007	Area residents hired consultant to develop a concept plan
South End Road	Oregon City	March 2007	City has no plans for this area yet
West Linn	West Linn or Clackamas County	March 2005	City has no plans for this area yet <b>Not likely to complete on time</b>
East Wilsonville	Wilsonville	March 2007	No action; some early talks on part of residents and homebuilders
Northwest Wilsonville	Wilsonville	March 2007	No action; the city had a consultant do a preliminary urban reserve plan in 1998
Brookman Road Area	Sherwood or Washington Co	March 2007	No plans for concept planning at this time
Study Area 59	Sherwood or Washington County	March 2005	City to work with school district to site facilities; concept planning and annexation complete within 3 years; <b>Not likely to complete on time</b>
Cipole Road	Sherwood	March 2005	No plans for concept planning at this time <b>Not likely to complete on time</b>
99W Area	Sherwood	March 2005	No plans for concept planning at this time. City Transportation System Plan to be completed first <b>Not likely to complete on time</b>
NW Tualatin	Tualatin	March 2005	The city received a TGM grant and planning is underway
Tonquin Site	Tualatin	March 2007	These two sites, known as 'SW Tualatin', are being planning together. The city received a TGM grant for \$170,000 and will be underway
Tigard Sand and Gravel Site	Tualatin	March 2007	

<b>Project</b>	<b>Lead Government</b>	<b>Plan Deadline</b>	<b>Status</b>
King City	King City	March 2005	Planning completed; annexed to city
Bull Mountain Area (Study Area 63)	Tigard or Washington County	March 2005	City and county need to first work out agreements about serving areas and then a planning timeline <b>Not likely to complete on time</b>
Bull Mountain Area (Study Area 64)	Tigard or Washington County	March 2005	City and county need to first work out agreements about serving area and then a planning timeline <b>Not likely to complete on time</b>
Cooper Mountain	Washington County, Beaverton or Hillsboro	March 2005	Washington County and Beaverton not pursuing planning at this time <b>Not likely to complete on time</b>
Study Area 69	Washington County or Hillsboro	March 2005	Washington County and Hillsboro not pursuing planning at this time (area not in Beaverton planning areas)
Study Area 71	Hillsboro	March 2005	Portion contained in Witch Hazel Community Plan; remainder of area to be planned in new few years <b>Not likely to complete on time</b>
Study Area 77	Cornelius	March 2005	Concept plan complete; City adopted comprehensive plan and zoning amendments, and annexed the area in January 2004
Shute Road Site	Hillsboro	March 2005	Concept plan complete; City adopted comprehensive plan and zoning in late 2003; annexed to Metro; shovel-ready site status pending
Forest Grove Swap	Forest Grove	March 2005	Work plan being developed <b>Not likely to complete on time</b>
Bethany	Beaverton or Washington County	March 2005	County to do planning after appeals completed <b>Not likely to complete on time</b>
Bonny Slope (Study Area 93)	Multnomah County	March 2005	County analyzing options to implement Title 11; some land owners examining privately-lead plan and self-funding; Metro Council adopted Resolution 04-3518 directing Metro staff to facilitate the completion of concept planning <b>Not likely to complete on time</b>
Area 94	Portland	March 2009	City considering budgeting for planning during FY 2005-06. Appeal is pending for this area
<b>2004 UGB Expansion</b>			Areas not yet acknowledged by LCDC

# APPENDICES

**Appendix A:  
Status of Compliance by Jurisdiction  
by Functional Plan Title**

**Titles 1 through 7**

<b>Title 1: Housing and Employment Accommodation</b>								
	Capacity Analysis Metro Code 3.07.120	Change in capacity reporting 3.07.120(D) <sup>2</sup>	Map of design types 3.07.130	Minimum density 3.07.140(A)	Partitioning standards 3/07.140(B)	Accessory dwelling units 3.07.140(C)	Accessory dwelling units in centers 3.07.140(C)	Reporting Requirements <sup>3</sup> 3.07.140(D)
Beaverton	In compliance		In compliance	in compliance	in compliance	in compliance	07/07/05	4/15/06
Cornelius	In compliance		In compliance	In compliance	In compliance	In compliance	N/A	4/15/06
Durham	In compliance		In compliance	In compliance	In compliance	In compliance	N/A	4/15/06
Fairview	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Forest Grove	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Gladstone	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Gresham	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Happy Valley	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Hillsboro	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Johnson City	In compliance		In compliance	In compliance	In compliance	In compliance	N/A	4/15/06
King City	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Lake Oswego	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Maywood Park	In compliance		In compliance	In compliance	In compliance	In compliance	N/A	4/15/06
Milwaukie	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Oregon City	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Portland	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Rivergrove	In compliance		In compliance	In compliance	In compliance	In compliance	N/A	4/15/06
Sherwood	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Tigard	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Troutdale	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Tualatin	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
West Linn	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Wilsonville	<b>In progress</b>		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Wood Village	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Clackamas County	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06
Multnomah County	In compliance		In compliance	In compliance	In compliance	In compliance	N/A	4/15/06
Washington County	In compliance		In compliance	In compliance	In compliance	In compliance	07/07/05	4/15/06

<sup>2</sup> Required if capacity changes

<sup>3</sup> Report contains actual density of new residential development per net developed acre authorized in those zoning districts that allow residential development in the preceding 24 months.

<b>Title 2: Regional Parking Policy</b>	Minimum/Maximum Performance Standards 3.07.220(A)(1) and (2)	Variance Process 3.07.220(A)(3)	Blended Ratios 3.07.220(B)
Beaverton	In compliance	In compliance	In compliance
Cornelius	In compliance	In compliance	In compliance
Durham	In compliance	In compliance	In compliance
Fairview	In compliance	In compliance	In compliance
Forest Grove	In compliance	In compliance	In compliance
Gladstone	In compliance	In compliance	In compliance
Gresham	In compliance	In compliance	In compliance
Happy Valley	In compliance	In compliance	In compliance
Hillsboro	In compliance	In compliance	In compliance
Johnson City	In compliance	In compliance	In compliance
King City	In compliance	In compliance	In compliance
Lake Oswego	In compliance	In compliance	In compliance
Maywood Park	In compliance	In compliance	In compliance
Milwaukie	In compliance	In compliance	In compliance
Oregon City	In compliance	In compliance	In compliance
Portland	In compliance	In compliance	In compliance
Rivergrove	In compliance	In compliance	In compliance
Sherwood	In compliance	In compliance	In compliance
Tigard	In compliance	In compliance	In compliance
Troutdale	In compliance	In compliance	In compliance
Tualatin	In compliance	In compliance	In compliance
West Linn	In compliance	In compliance	In compliance
Wilsonville	In compliance	In compliance	In compliance
Wood Village	In compliance	In compliance	In compliance
Clackamas County	In compliance	In compliance	In compliance
Multnomah County	In compliance	In compliance	In compliance
Washington County	In compliance	In compliance	In compliance

	<b>Title 3: Water Quality, Flood Management and Fish and Wildlife Conservation</b>		
	Flood Management Performance Standards 3.07.340(A)	Water Quality Performance Standards 3.07.340(B)	Erosion and Sediment Control 3.07.340(C)
Beaverton	In compliance	In compliance	In compliance
Cornelius	In compliance	In compliance	In compliance
Durham	In compliance	In compliance	In compliance
Fairview	In compliance	In compliance	In compliance
Forest Grove	In compliance	In compliance	In compliance
Gladstone	In compliance	In compliance	In compliance
Gresham	In compliance	In compliance	In compliance
Happy Valley	In compliance	In compliance	In compliance
Hillsboro	In compliance	In compliance	In compliance
Johnson City	In compliance	In compliance	In compliance
King City	In compliance	In compliance	In compliance
Lake Oswego	In compliance	<b>In progress</b>	In compliance
Maywood Park	NA	NA	In compliance
Milwaukie	In compliance	In compliance	In compliance
Oregon City	In compliance	In compliance	In compliance
Portland	In compliance	In compliance	In compliance
Rivergrove	In compliance	In compliance	In compliance
Sherwood	In compliance	In compliance	In compliance
Tigard	In compliance	In compliance	In compliance
Troutdale	In compliance	In compliance	In compliance
Tualatin	In compliance	In compliance	In compliance
West Linn	In compliance	<b>In progress</b>	In compliance
Wilsonville	In compliance	In compliance	In compliance
Wood Village	NA	In compliance	In compliance
Clackamas County	In compliance	<b>Exception Requested</b>	In compliance
Multnomah County	In compliance	In compliance	In compliance
Washington County	In compliance	In compliance	In compliance



	<b>Title 4: Industrial and Other Employment Areas</b>		
	Protection of Regionally Significant Industrial Areas* 3.07.420	Protection of Industrial Areas 3.07.430*	Protection of Employment Areas 3.07.440
Beaverton	NA	7/22/07	In compliance
Cornelius	NA	7/22/07	In compliance
Durham	NA	7/22/07	In compliance
Fairview	7/22/07	7/22/07	In compliance
Forest Grove	NA	7/22/07	In compliance
Gladstone	NA	NA	In compliance
Gresham	7/22/07	7/22/07	In compliance
Happy Valley	7/22/07	NA	NA
Hillsboro	7/22/07	7/22/07	In compliance
Johnson City	NA	NA	NA
King City	NA	NA	NA
Lake Oswego	NA	7/22/07	In compliance
Maywood Park	NA	NA	NA
Milwaukie	NA	7/22/07	In compliance
Oregon City	7/22/07	7/22/07	In compliance
Portland	7/22/07	7/22/07	In compliance
Rivergrove	NA	NA	NA
Sherwood	NA	7/22/07	In compliance
Tigard	NA	7/22/07	In compliance
Troutdale	7/22/07	7/22/07	In compliance
Tualatin	7/22/07 <sup>4</sup>	7/22/07	In compliance
West Linn	NA	NA	In compliance
Wilsonville	7/22/07	In compliance	In compliance
Wood Village	NA	7/22/07	In compliance
Clackamas County	7/22/07	7/22/07	In compliance
Multnomah County	NA	7/22/07	In compliance
Washington County	NA	7/22/07	In compliance

\* Compliance dates revised from December 23, 2004 version to reflect two years from date of acknowledgement by LCDC

<sup>4</sup> Area is in unincorporated Washington County but Tualatin has grant to plan for area and area is expected to be annexed to Tualatin

<b>Title 5: Neighbor Cities and Rural Reserves</b>		
	Rural Reserves 3.07.520	Green Corridors 3.07.520
Beaverton	NA	NA
Cornelius	NA	NA
Durham	NA	NA
Fairview	NA	NA
Forest Grove	NA	NA
Gladstone	NA	NA
Gresham	NA	In compliance
Happy Valley	NA	NA
Hillsboro	NA	In compliance
Johnson City	NA	NA
King City	NA	NA
Lake Oswego	NA	NA
Maywood Park	NA	NA
Milwaukie	NA	NA
Oregon City	NA	In compliance
Portland	NA	NA
Rivergrove	NA	NA
Sherwood	NA	In compliance
Tigard	NA	NA
Troutdale	NA	NA
Tualatin	NA	In compliance
West Linn	NA	In compliance
Wilsonville	NA	In compliance
Wood Village	NA	NA
Clackamas County	In compliance	In compliance
Multnomah County	NA	In compliance
Washington County	In compliance	In compliance

<b>Title 6: Central City, Regional Centers, Town Centers and Station Communities</b>				
	Develop a Strategy to Enhance Centers (Due 12/31/2007) 3.07.620	Special Transportation Areas 3.07.630 <sup>5</sup>	Encourage Siting Government Offices in Centers 3.07.640	Reporting on Centers Progress 3.07.650
Beaverton	In compliance	07/07/05	07/07/05	In compliance
Cornelius	NA	NA	NA	NA
Durham	NA	NA	NA	NA
Fairview	12/31/07	07/07/05	07/07/05	In compliance
Forest Grove	12/31/07	07/07/05	07/07/05	In compliance
Gladstone	12/31/07	07/07/05	07/07/05	In compliance
Gresham	12/31/07	07/07/05	07/07/05	<b>In progress</b>
Happy Valley	12/31/07	07/07/05	07/07/05	In compliance
Hillsboro	12/31/07	07/07/05	07/07/05	In compliance
Johnson City	NA	NA	NA	NA
King City	12/31/07	07/07/05	07/07/05	In compliance
Lake Oswego	12/31/07	07/07/05	07/07/05	In compliance
Maywood Park	NA	NA	NA	NA
Milwaukie	12/31/07	07/07/05	07/07/05	In compliance
Oregon City	12/31/07	07/07/05	07/07/05	In compliance
Portland	12/31/07	07/07/05	07/07/05	In compliance
Rivergrove	NA	NA	NA	NA
Sherwood	12/31/07	07/07/05	07/07/05	In compliance
Tigard	12/31/07	07/07/05	07/07/05	In compliance
Troutdale	12/31/07	07/07/05	07/07/05	In compliance
Tualatin	12/31/07	07/07/05	07/07/05	In compliance
West Linn	12/31/07	07/07/05	07/07/05	In compliance
Wilsonville	12/31/07	07/07/05	07/07/05	In compliance
Wood Village	12/31/07	07/07/05	07/07/05	In compliance
Clackamas County	12/31/07	07/07/05	07/07/05	In compliance
Multnomah County	12/31/07	07/07/05	07/07/05	In compliance
Washington County	12/31/07	07/07/05	07/07/05	In compliance

<sup>5</sup> Any city or county that has adopted a Centers Development Strategy (3.07.620) and measures to discourage commercial retail use along state highways outside of centers shall be eligible for designation of a center as a Special Transportation Area. A Special Transportation Area is a designation authorized by the Oregon Transportation Commission for urban street design features on state highways.

<b>Title 7: Affordable Housing</b>								
	<b>Voluntary Goals</b>	<b>15 Strategies Addressed</b>	<b>First Progress Report – 2002</b>		<b>Second Progress Report – 2003</b>		<b>Third Progress Report – 2004</b>	
			<b>Report Received</b>	<b>Consideration by Elected Body</b>	<b>Report Received</b>	<b>Consideration by Elected Body</b>	<b>Report Received</b>	<b>Consideration by Elected Body</b>
Beaverton	Adopted	Completed	Received	No	Received	Yes	Received	Yes
Cornelius								
Durham		Partial	Received	No	Received	Yes	Received	Yes
Fairview		Partial	Received	Yes	Received	Yes	Received	Yes
Forest Grove		Partial	Received	Yes				
Gladstone		Partial	Received	Yes	Received	Yes	Received	Yes
Gresham		Partial	Received	Yes	Received	Yes		
Happy Valley		Partial	Received	Yes				
Hillsboro		Partial	Received	No				
Johnson City								
King City					Received	Yes	Received	Yes
Lake Oswego					Received	Yes	Received	Yes
Maywood Park		Partial	Received	Yes	Received	Yes	Received	Yes
Milwaukie		Partial	Received	Yes				
Oregon City		Partial	Received	Yes	Received	Yes		
Portland	Adopted	Completed	Received	No	Received	Yes	Received	Yes
Rivergrove								
Sherwood								
Tigard		Partial	Received	Yes	Received	Yes	Received	No
Troutdale		Partial	Received	Yes	Received	Yes		
Tualatin		Partial	Received	No				
West Linn		Partial	Received	No	Received	No	Received	Yes
Wilsonville		Partial	Received	Yes	Received	Yes		
Wood Village		Partial	Received	No	Received	Yes		
Clackamas County		Partial	Received	No				
Multnomah County	Adopted	Completed	Received	No	Received	No	Received	Yes
Washington County		Partial	Received	Yes	Received	Yes	Received	Yes



**APPENDIX B**  
**Summary of Compliance with the Functional Plan**

Functional Plan Title	No. of Applicable Jurisdictions	No. of Jurisdictions in Compliance	Percentage Complete
Title 1 – minimum densities	27	27	100%
Title 1 – partitioning standards	27	27	100%
Title 1 – accessory dwelling units	27	27	100%
Title 1 – map of design types	27	27	100%
Title 1 – capacity analysis	27	26 (analysis completed)	96%
<b>Total Title 1</b>	<b>135</b>	<b>134</b>	<b>99%</b>
Title 2 – minimum/maximum standards	27	27	100%
Title 2 – variance process	27	27	100%
Title 2 – blended ratios	27	27	100%
<b>Total Title 2</b>	<b>81</b>	<b>81</b>	<b>100%</b>
Title 3 – floodplain standards	25	25	100%
Title 3 – water quality standards	26	23	88%
Title 3 – erosion control standards	27	27	100%
<b>Total Title 3</b>	<b>78</b>	<b>75</b>	<b>96%</b>
Title 4 – retail in Industrial Areas	20	20	100%
Title 4 – retail in Employment Areas	22	22	100%
<b>Total Title 4</b>	<b>42</b>	<b>42</b>	<b>100%</b>
Title 5 – rural reserves	2	2	100%
Title 5 – green corridors	10	10	100%
<b>Title 5 - Total</b>	<b>12</b>	<b>12</b>	<b>100%</b>
Title 6 – Centers Development Strategy	22	Due December 2007	
Title 6 – Siting Government Offices	22	Due July 2005	
Title 6 – Reporting on Centers Progress	22	21	95%
<b>Total Title 6</b>	<b>22</b>	<b>21</b>	<b>95%</b>
<b>Total Titles 1-6</b>	<b>370</b>	<b>365</b>	<b>99%</b>
<b>Title 7 – 1st progress report</b>	27 – due January 31, 2002	21 (received)	78%
<b>Title 7 – 2nd progress report</b>	27 – due December 31, 2003	17 (received)	63%
<b>Title 7 – 3rd progress report</b>	27 – due June 30, 2004	12 (received)	44%
<b>Total Title 7</b>	<b>81</b>	<b>50</b>	<b>62%</b>

**APPENDIX C:  
COMPLIANCE DATES FOR THE  
URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN**

Functional Plan Requirement	When Local Decisions Must Comply		
	Plan/Code Amendment 3.07.810(D) <sup>6</sup>	Land Use Decision 3.07.810(E) <sup>7</sup>	Adoption 3.07.810(B) <sup>8</sup>
<b>Title 1:</b> Determine capacity for housing and jobs (3.07.120.A)			12/08/02
<b>Title 1:</b> Report changes to jobs/housing capacity annually (3.07.120.D)			07/07/05 and 4/15 each subsequent year
<b>Title 1:</b> Map design types (3.07.130)	12/08/00	12/08/01	12/08/02
<b>Title 1:</b> Adopt minimum density (3.07.140.A)	12/08/00	12/08/01	12/08/02
<b>Title 1:</b> No prohibition to partition lots twice the minimum size (3.07.140.B)	12/08/00	12/08/01	12/08/02
<b>Title 1:</b> Allow accessory dwelling unit in SFD (3.07.140.C)	12/08/00	12/08/01	12/08/02
<b>Title 1:</b> Allow accessory dwelling unit in attached SFD in Centers and Stations (3.07.140.C)	07/07/03	07/07/04	07/07/05
<b>Title 1:</b> Report density of residential development (3.07.140.D)			07/07/05
<b>Title 2:</b> Parking minimum and maximum standards (3.07.220.A.1)	01/07/98	01/07/99	01/07/00
<b>Title 2:</b> Adopt maximum parking standards (3.07.220.A.2)	01/07/98	01/07/99	01/07/00
<b>Title 2:</b> Adopt blended parking ratios in mixed-use areas (3.07.220.B)	01/07/98	01/07/99	01/07/00
<b>Title 2:</b> Establish a variance process (3.07.220.A.3)	01/07/98		01/07/00
<b>Title 2:</b> Monitor and report parking data annually (3.07.220.D)	01/07/98		01/07/00 and each subsequent year

<sup>6</sup> A city or county that amends its plan to deal with the subject of a Functional Plan requirement any time after the effective date of the requirement (the date noted) must ensure that the amendment complies with the Functional Plan

<sup>7</sup> A city or county that has not yet amended its plan to comply with a Functional Plan requirement must, following one year after acknowledgement of the requirement (the date noted), apply the requirement directly to land use decisions

<sup>8</sup> Cities and counties must amend their plans to comply with a new Functional Plan requirement within two years after acknowledgement of the requirement (the date noted)

Functional Plan Requirement	When Local Decisions Must Comply		
	Plan/Code Amendment 3.07.810(D) <sup>6</sup>	Land Use Decision 3.07.810(E) <sup>7</sup>	Adoption 3.07.810(B) <sup>8</sup>
<b>Title 3:</b> Adopt model or equivalent and map or equivalent (3.07.330.A)	12/08/00)	12/08/01	12/08/02
<b>Title 3:</b> Floodplain management performance standards (3.07.340.A)	12/08/00	12/08/01	12/08/02
<b>Title 3:</b> Water quality performance standards (3.07.340.B)	12/08/00	12/08/01	12/08/02
<b>Title 3:</b> Erosion control performance standards (3.07.340.C)	12/08/00	12/08/01	12/08/02
<b>Title 3:</b> Fish and wildlife habitat Conservation (3.07.350)			
<b>Title 4:</b> Map RSIA's in new UGB additions (3.07.420.A)	07/22/05	07/22/06	07/22/07
<b>Title 4:</b> Map RSIA's in pre-expansion UGB (3.07.430.B)	07/22/05	07/22/06	07/22/07
<b>Title 4:</b> Limit uses in Regionally Significant Industrial Areas (3.07.420)	07/22/05	07/22/06	07/22/07
<b>Title 4:</b> Limit retail uses in Industrial Areas (3.07.430)	07/22/05	07/22/06	07/22/07
<b>Title 4:</b> Limit retail uses in Employment Areas (3.07.440)	07/07/03	07/07/04	07/07/05
<b>Title 5:</b> Rural reserves (3.07.520)	01/07/98		01/07/00
<b>Title 5:</b> Green corridors (3.07.520)	01/07/98		01/07/00
<b>Title 6:</b> Develop a strategy for each Center (3.07.620)			12/31/07

<sup>6</sup> A city or county that amends its plan to deal with the subject of a Functional Plan requirement any time after the effective date of the requirement (the date noted) must ensure that the amendment complies with the Functional Plan

<sup>7</sup> A city or county that has not yet amended its plan to comply with a Functional Plan requirement must, following one year after acknowledgement of the requirement (the date noted), apply the requirement directly to land use decisions

<sup>8</sup> Cities and counties must amend their plans to comply with a new Functional Plan requirement within two years after acknowledgement of the requirement (the date noted)



Functional Plan Requirement	When Local Decisions Must Comply		
	Plan/Code Amendment 3.07.810(D) <sup>6</sup>	Land Use Decision 3.07.810(E) <sup>7</sup>	Adoption 3.07.810(B) <sup>8</sup>
<b>Title 6:</b> Address barriers to siting government offices in centers (3.07.640)			Based on Center Development Strategy
<b>Title 6:</b> Require demonstration that government offices cannot be located in Centers (3.07.640.B)	07/07/03	07/07/04	07/07/05
<b>Title 6:</b> Reporting on progress biennially (3.07.650)			4/15/04 and every two years
<b>Title 7:</b> Consider specific tools and strategies (3.07.730.B, 3.07.760)	12/31/03	12/31/03	
<b>Title 7:</b> Adopt strategies and measures to increase housing opportunities (3.07.730.A)			06/30/04
<b>Title 8:</b> Compliance procedures	02/14/03		
<b>Title 9:</b> Performance Measures			
<b>Title 10:</b> Definitions	12/08/00	12/08/01	12/08/02
<b>Title 11:</b> Set interim protection for areas brought into the UGB (3.07.1110)	12/08/00	12/08/01	12/08/02
<b>Title 11:</b> Prepare a comprehensive plan and zoning provisions for territory added to the UGB (3.07.1120)	12/08/00		Metro sets date as condition
<b>Title 12:</b> Establish level of service standards for parks (3.07.1240.A)			2 years after Parks Functional Plan Adopted
<b>Title 12:</b> Provide access to parks by walking, bicycling, transit (3.07.1240B)			07/07/05

<sup>6</sup> A city or county that amends its plan to deal with the subject of a Functional Plan requirement any time after the effective date of the requirement (the date noted) must ensure that the amendment complies with the Functional Plan

<sup>7</sup> A city or county that has not yet amended its plan to comply with a Functional Plan requirement must, following one year after acknowledgement of the requirement (the date noted) apply the requirement directly to land use decisions

<sup>8</sup> Cities and counties must amend their plans to comply with a new Functional Plan requirement within two years after acknowledgement of the requirement (the date noted)



### APPENDIX D

#### Outstanding Compliance Elements

	Title 1	Title 2	Title 3	Title 4	Title 5	Title 6	Title 7
Beaverton							
Cornelius							See Title 7 section
Durham							See Title 7 section
Fairview							See Title 7 section
Forest Grove							See Title 7 section
Gladstone							See Title 7 section
Gresham						Centers progress report	See Title 7 section
Happy Valley							See Title 7 section
Hillsboro							See Title 7 section
Johnson City							See Title 7 section
King City							See Title 7 section
Lake Oswego			Water quality				See Title 7 section
Maywood Park							See Title 7 section
Milwaukie							See Title 7 section
Oregon City							See Title 7 section
Portland							
Rivergrove							See Title 7 section
Sherwood							See Title 7 section
Tigard							See Title 7 section
Troutdale							See Title 7 section
Tualatin							See Title 7 section
West Linn			Water quality				See Title 7 section
Wilsonville	Capacity Analysis						See Title 7 section
Wood Village							See Title 7 section
Clackamas County			Exception Requested				See Title 7 section
Multnomah County							
Washington County							See Title 7 section

# **Attachment 1**

## **Title 7 (Affordable Housing) Component of the 2004 Annual Compliance Report of the Urban Growth management Functional Plan**



**METRO**

December 14, 2004

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## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### **BEAVERTON**

Metro received Beaverton's third year report in August 2004. A first year (2002) report was received in November 2002, and a second year (2003) report in December 2003.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The City adopted the voluntary affordable housing production goal (656 units) in its Comprehensive Plan in 2001. The City's 2004 Title 7 compliance report states that this requirement has been met.

- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

Beaverton reports that section 4.2.2 of the City's Comprehensive Plan titled "Availability of Housing Types" addresses the issue of diversity. The report states, that the City adopted a goal to "Provide an adequate variety of quality housing types to serve Beaverton's citizenry" in addition to other policies and action statements that would "advance the City toward achieving that goal" including reducing restrictions that "discourage the development of innovative housing types such as co-housing and halfway houses which were not previously addressed."

The City's report states that Goal 4.2.3.1 of the Comprehensive Plan, "Promote the retention of existing affordable housing stock in the City" satisfies the Metro requirement to address maintaining the existing supply of affordable housing.

Lastly, the report states that, "through the process of considering and adopting amendments to its comprehensive plan to increase the supply of affordable housing, in compliance with Title 7, it has increased opportunities for households of all income levels to live within their individual jurisdiction in affordable housing."

Metro staff finds that the City of Beaverton Comprehensive Plan contains adequately addresses these requirements.

- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory*

*constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*

(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

Metro’s previous compliance summary reported that Beaverton had adopted two of the Title 7 strategies prior to January 2001 but that they other five strategies had not been completely addressed. The City’s final report updates the City’s process in considering these land use tools and strategies. The City’s recent efforts include preparation of a detailed analysis of each strategy (including information on the tool’s use in other jurisdictions) and discussing the application of each tool to Beaverton.

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	Adopted with the following intent. The City states that it has amended its Comprehensive Plan to explore “various tools to encourage the development of affordable housing” and to “consider implementing a density bonus or density credit program”. The City’s third year report ranks this strategy as a “high priority” for the City.
Replacement housing	Adopted with the following intent. The City amended its Comprehensive Plan to “consider future implementation of a residential demolition delay policy targeted for residentially zoned properties where redevelopment of the property could result in the loss of affordable units.” The City’s third year report ranks this strategy as a “low priority” for the City.
Inclusionary housing	Adopted with the following intent. The City amended its Comprehensive Plan to “Explore implementing a voluntary inclusionary housing program to be used in combination with various affordable housing incentives.” The City’s third year report ranks voluntary inclusionary housing as a “low priority” for the City.
Transfer development rights	Declined to adopt. City decision is based on interview of stakeholders and preference to pursue other tools.
Elderly and people with disabilities	In use prior to January 2001. In addition, the City has adopted into its Comprehensive Plan to “consider comments received from developers of affordable senior and disabled housing when considering amendments to the City’s Development Code in order to minimize impediments to such projects’ and to “assist housing developers in determining market demand for low income, elderly and special needs housing in the City and identify specific buildable parcels for affordable housing to serve these populations.” The

	City's third year report lists this strategy as a "high priority" for the City.
Local regulatory constraints	New tools added to those in use prior to 2001. Metro's 2003 compliance review found that this tool was in partial use prior to January 2001. Beaverton's 2004 report states that their Comprehensive Plan has been amended to include four additional action items that include assigning a single staff member to serve as a contact to developers in order to better coordinate and review affordable housing projects.
Parking	Adopted with the following intent. The City amended its Comprehensive Plan to "consider refining and clarifying criteria for approving alternative parking requirements to reduce the cost of providing parking for affordable housing projects." The City's third year report ranks voluntary inclusionary housing as a "low priority" for the City.

D. **Metro Code 3.07.760:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*

(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	Declined to adopt with following reason. The City's 2004 report states that, " <u>no urban renewal area exists in the City</u> " and "under the City's charter, to establish such a program would require voter approval" and since this action is "not likely to occur in the near future, the City did not consider this tool."
Inclusionary housing in urban renewal districts	Declined to adopt with following reason. (See City comment on replacement housing in urban renewal.)
Fee waivers or funding incentives	New tools added to those in use prior to 2001. Metro's 2003 compliance review found that this tool was use prior to January 2001. However, the City's 2004 report states that further consideration of this tool by the City has "revealed that the City Council is willing to commit to a loan program for development fees through administrative approval" and has adopted an action statement into the

	Comprehensive Plan to “Establish a revolving loan program to assist affordable housing developers with system development charges, development review and permit fees.” The City’s third year report ranks voluntary inclusionary housing as a “low priority” for the City.
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	In use prior to January 2001. The City’s 2004 report specifically mentions administering a HOME funded rehabilitation program since 1996 and “a variety of service organizations and capital improvement projects which may benefit populations within the 50% to 120% range.”
Joint coordination or action	In use prior to January 2001.

E. **Metro Code 3.07.740.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city of county to increase the community’s affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

i) *Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*

The City report states, “although a majority of the tools and strategies described in this report have only recently been converted into Comprehensive Plan policies and action statements, many have been used in the City for some time. Over the past years for example, the City has directed various resources toward several affordable housing projects.”

The City’s report included the following table.

Project	# of units	Income Served	Population Served	Tools and Strategies
The Bridge in Beaverton	12	0-60% MHI	Developmentally Disabled Adults	Fee Waiver, Land Banking, Admin Support, HOME, HUD 811, and CDBG Funding
Downtown Mixed-Use Housing	66	0-60% MHI	Seniors	Home Funding and Administrative Support
Merlo Station Affordable Housing	84	0-60% MHI	Mix of Families and Singles	Administrative Support
Community Housing Trust Fund	----	Undetermined	Undetermined	\$100,000 Contribution Budgeted



ii) *Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*

The City report states that it has partnered with Tualatin Valley Housing Partners and the Bridge Housing Corporation. The City report states that staff have recently received project related inquiries and service requests from several other groups, and have contributed administrative support in many cases. It was for this reason that the City decided to broaden the Comprehensive Plan language pertaining to affordable housing related partnerships to formally include these parties. In the meantime, staff continues to informally provide support to the following organizations.

- Tualatin Valley Housing Partners
- The Bridge Housing Corporation
- The Housing Development Corporation
- Community Partners for Affordable Housing
- Habitat for Humanity
- The Housing Advocacy Group

iii) *Pending amendments to the comprehensive plan and implementing ordinances.*

The City report states, “No additional amendments to the City’s Comprehensive Plan and implementing ordinances are pending at this time. As staff proceeds with the program development phase of the Title 7 implementation process, the need for further amendments may become apparent; however, such actions are not currently anticipated.”

iv) *Public response to code changes.*

The City report states that it received “a number of informal comments from the public” regarding shortage of housing for low income families, especially housing for families earning less than 30% of the regional medial income. The public also gave testimony to support increased funding for housing and suggested real estate tax as a funding source.

**F. Metro Code 3.07.730.B: Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.**

The Beaverton City Council adopted Ordinance #4319 on August 2004, which amended the city’s Comprehensive Plan to include policies, action statements and the related text that appear in the City’s 2004 compliance report to Metro.

**G. Local initiatives not required or encouraged by Title 7.**

Beaverton’s 2003 report listed several tools and strategies currently in use or existing in the form of action statements within the City’s comprehensive plan: 1) use of federal funds to assist community housing development organizations; 2) housing rehabilitation with federal funds; 3) supporting infrastructure development for existing affordable housing with federal funds; 4) provision that permits accessory dwelling units (required by Title 1 of the Functional Plan) that typically consist of smaller affordable housing units; 5) provision of

manufactured housing in all zones that allow single family housing; 6) public education strategy for affordable housing; 7) land banking for affordable housing.

The 2003 report also listed a number of additional strategies the City is considering including in its comprehensive plan. These included affordable housing public education, supporting the Washington County Trust Fund, supporting the Real Estate Transfer tax, participation in a county-wide employer assisted housing program.

Beaverton's 2004 report states that the City Council adopted several Comprehensive Plan policy and action statements (including strategies that are a "high priority" for the City) to implement other local initiatives, not required by Title 7, including the following.

- Public Education efforts
- Revolving fund for deferral of payment or permitting or development fees
- Tax abatements
- Land banking and assembly
- Housing trust fund (partnering with Washington County)
- Long-term affordability requirements
- Non-profit organization partnerships including faith-based organizations
- Employer assisted housing

*H. Other information provided.*

Beaverton's first-year compliance report stated that it was the City's intention to conduct research on the cost/benefit aspects of local regulatory constraints, and to report this information to Metro in its second-year and third-year report. However, Beaverton's 2004 report states the City chose to first hire a consultant to conduct an impartial analysis of the potential tools and strategies. Based on the results of this project, the 2004 report states:

“the City chose to adopt a project methodology based upon consensus and ranking of alternatives. Although cost/benefit was a factor in the ranking process, other criteria such as ability to leverage other resources, consistency with existing policy, administrative complexity, political feasibility, and ability to implement in the short-term were also considered.”

Outstanding Items:

The City has met all Title 7 requirements.

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### CORNELIUS

The City has not submitted the 2002, 2003 and 2004 reports to address the following requirements in the Metro Functional Plan Title 7.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*
- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)
- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)
- D. **Metro Code 3.07.760.B:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*  
(See Metro Functional Plan Title 7 for more details on these five tools and strategies)
- E. **Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city of county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*
- i) *Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*
  - ii) *Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*
  - iii) *Pending amendments to the comprehensive plan and implementing ordinances.*
  - iv) *Public response to code changes.*

F. **Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

Outstanding Items:

1. All of the above requirements are yet to be addressed.
2. Specific third-year reporting requirements (Metro Code 3.07.740.C).

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### DURHAM

The City's first year (2002) report was received in January 2003, and the second year (2003) report was received in March 2004. The third year report was received in July 2004.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The 2004 report states that the City is declining to adopt the voluntary affordable housing production goals. The reported rationale for this decision is "a substantial portion of the City's housing stock presently serves low income families", including an existing 210-unit apartment complex located in South Durham, "already surpasses the quantitative goal of meeting the housing needs of households with incomes between zero and 50 percent of median household income within Durham's jurisdiction."

- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The City currently implements measures to increase affordable housing opportunities for households of all income levels. However, the report stated that the City initiated discussion in 2003 of potential changes to its comprehensive plan and implementing code to ensure inclusion of the above three strategies.

- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	Declined to adopt. The 2004 report states "the City lacks sufficient resources to provide the staff time and capability that would be necessary for the administration and monitoring requirements of the density bonus tool."
Replacement housing	In use prior to January 2001.
Inclusionary housing	Declined to adopt.

	The City's report states that it lacks staff and resources to develop and implement this strategy. The report also states that the city has "adopted a plan policy criterion for considering the impacts on affordable housing of a zone change."
Transfer development rights	Declined to adopt. The City declined to adopt this strategy because of a lack of resources and due to "the small amount of vacant residential land (less than 40 acres)" in Durham. Additionally, the report states, "Durham does not have a Main Street or Town Center, so there would be no up-zoning for implementing a TDR program in these areas."
Elderly and people with disabilities	In use prior to January 2001
Local regulatory constraints	Declined to adopt. The City reports having refined the permitting process in the past to "promote qualitative development and not impose undue burden for obtaining affordable housing approval." However, the report states that the City lacks the resources to implement this strategy as outlined in Title 7.
Parking	Declined to adopt. The City reports that it has adopted Title 2 parking requirements but lacks the staff and resources to adopt this strategy as outlined in Title 7.

**D. Metro Code 3.07.760.B:** Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI)  
(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	Declined to adopt because it is impractical to implement in the city (due to lack of urban renewal zones)
Inclusionary housing in urban renewal districts	Declined to adopt because it is impractical to implement in the city (due to lack of urban renewal zones)
Fee waivers or funding incentives	Declined to adopt. The rational (in the 2003 report) is potential conflict with contractual agreements for services provided by other agencies for the city. The 2004 report sites a lack of resources.
Efforts promoting affordable housing for other	Declined to adopt.

income groups (50% to 120% of the regional median household income)	The 2003 report states “it is impractical to implement in the City” however the 2004 report states that “the City will continue to promote housing affordable to all citizens in the Durham community, including households with incomes 50% to 80% to 120% of regional median household income.”
Joint coordination or action	Declined to adopt. The 2003 report states it is impractical to implement in the City, however the 2004 report states “should the opportunity arise, the City would consider coordinating or taking action that would result in the production of additional affordable housing units in Durham.”

**E. Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community’s affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

- i) Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*
- ii) Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*
- iii) Pending amendments to the comprehensive plan and implementing ordinances.*
- iv) Public response to code changes.*

The above requirements were not addressed in the City’s report.

**F. Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

The report was reviewed and approved by the City Council on June 22, 2004.

**Outstanding Items:**

1. Ensuring that the City’s comprehensive plan and implementing ordinances include diversity strategies and measures to maintain the existing supply of affordable housing and increase dispersion of affordable housing. (Metro Code 3.07.730.A)
2. Specific third-year reporting requirements (Metro Code 3.07.740.C).

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### FAIRVIEW

Metro received a single report in July 2003 that was intended to serve as the City's first (2002) and second (2003) year reports. Metro received the City's third-year report on June 23, 2004.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The City declined to adopt the voluntary goal in their 2002/2003 report. The report stated that the City's current affordable housing stock is adequate to address their community's affordable housing needs. The report also stated, "the City does not believe additional incentives to attract more affordable housing is necessary or appropriate."

- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The City currently has policies to implement the three strategies. The 2002/2003 report and the 2004 report cited section of the comprehensive plan addressing provision of these strategies.

- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	In use prior to January 2001
Replacement housing	Declined to adopt. The City's 2004 report states, "No-net-loss is not an issue in a community that is a "build out" as there is no housing to lose through plan amendments, unless redevelopment is proposed."
Inclusionary housing	Declined to adopt due to limited tax base and demand on general fund will create undue hardship.
Transfer development rights	Declined to adopt because existing land is either already developed or being developed and/or zoned.
Elderly and people with	In use prior to January 2001



disabilities	
Local regulatory constraints	Declined to adopt The 2004 report states “Fairview’s affordable housing is already in-place and the remainder of the city is substantially built out,” deemed the title 7 measures “unnecessary” to implement.
Parking	Declined to adopt. The City reports being in compliance with Metro’s Title 2 parking standards. However, there is no direct mention of parking regulations specifically intended to increase affordable housing opportunities as outlined in Metro Code 3.07.730.B. The City’s 2004 report states “further authority is unwarranted.”

D. **Metro Code 3.07.760.B:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*

(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	Declined as a strategy (see above). The 2004 report states that Fairview has no urban renewal zones.
Inclusionary housing in urban renewal districts	Declined as a land use strategy (per reasons in previous section regarding inclusionary housing).
Fee waivers or funding incentives	Declined to implement due to due to contractual agreements for building inspection services provided by another city (Troutdale).
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	Declined due to “build-out” condition.
Joint coordination or action	The City’s report states, “the City would be happy to discuss such collaboration if requested”.

E. **Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city of county to increase the community’s affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

- i) *Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*

The City report states “while no housing projects were initiated the City has been successful in creating information and enforcement programs that has enhanced and maintained existing affordable housing in Old Town.

- ii) *Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*

The report states “because of the lack of vacant residentially zoned land there has been no opportunity for partnerships with affordable housing developers. In the past the City has used its master planning ability to produce more affordable housing in such areas as Lake Side Estates and to a lesser extent Fairview Village.”

- iii) *Pending amendments to the comprehensive plan and implementing ordinances.*

There are “no pending amendments pertinent to this topic area proposed” as reported by the City.

- iv) *Public response to code changes.*

This requirement was not addressed.

**F. *Metro Code 3.07.730: Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.***

The report was sent to Metro with a cover letter signed by the mayor and stated that the attached report reflects the views of the Fairview City Council.

**G. *Local initiatives not required or encouraged by Title 7.***

The City's 2002/2003 report states that the City has several local tools that contribute to housing affordability. These include encouraging multi-family housing development along Sandy Blvd., Halsey St, 201<sup>st</sup> Ave., and Fairview Ave., south of Halsey St. The City also participates in the Housing Opportunities Plan (HOP) for the Portland region and permits manufactured homes on individual lots in designated residential zones subject to site development standards. Manufactured homes are also a permitted use in designated residential zones.

**H. *Other information provided.***

The City reports that 59% of their current housing stock consists of manufactured homes, apartments, duplexes and townhouses. Their 2002/2003 report states, “The City Council believes it is counterproductive and unnecessary to modify current housing policies that already provide for a wide range of housing types and tenures.”

**Outstanding Items:**

1. One section (public response) of the specific third-year reporting requirements (Metro Code 3.07.740.C).

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### FOREST GROVE

The second (2003) and third year (2004) reports were not received by Metro. The City's first year (2002) report was received by Metro in March 2003.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The City declined to adopt the voluntary goal. However, the report states that the city supports the regional goal of providing affordable housing but declined to adopt the voluntary affordable housing production goal in Title 7 because of the following reasons: a) lack of control over land cost, funding sources, tax credit and development impact fees; b) City does not build affordable housing; c) City is not a Community Development Block Grant (CBDG) entitlement community; and d) City is concerned that the "voluntary" goal could turn into a requirement in the near future, similar to affordable housing requirements in California.

- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The City currently implements most elements of the three strategies. The report stated that the City comprehensive plan and zoning ordinances contain goals, policies and standards that encourage and ensure diverse range of housing, avoid shortages and adverse impact on price, rent and choice of housing, encourage rehabilitation of substandard housing, provision of good quality housing for all segments of the City's population, including but not limited to people of all incomes, race, family size, etc. The report did not address the City's efforts related to dispersal of affordable housing.

- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	Discussed but no action taken
Replacement housing	Declined to adopt because the city has an ample supply of affordable housing units.
Inclusionary housing	Discussed but no action taken

Transfer development rights	Declined to adopt due to existing high multifamily residential density that would not encourage affordable housing production.
Elderly and people with disabilities	In use prior to January 2001 (Title 7)
Local regulatory constraints	Discussed but no action taken. The report stated that the City has a streamlined permitting process, which results in a quick turn-around for residential projects, and that a special process for affordable housing is not needed.
Parking	Not addressed in the report

**D. Metro Code 3.07.760.B:** Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.

(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	Not addressed in the report
Inclusionary housing in urban renewal districts	Not addressed in the report
Fee waivers or funding incentives	Not addressed in the report
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	In use prior to 2001 (Title 7)
Joint coordination or action*	In use prior to 2001 (Title 7)

\*Although the report stated the City has expanded the existing affordable housing capacity in Forest Grove, it did not clearly state what role the City played in the development of the Jose Arciga Apartments (94 units), Covey Run (40 units), or in the Habitat for Humanity project (one unit).

**E. Metro Code 3.07.730.C:** By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.

- i) Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.
- ii) Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)
- iii) Pending amendments to the comprehensive plan and implementing ordinances.
- iv) Public response to code changes.

These requirements were not addressed.

- F. **Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

The 2003 report was reviewed and approved by the City Council via resolution.

- G. *Local initiatives not required or encouraged by Title 7.*

Leveraging CBGD funds for public improvements in low income neighborhoods that help maintain the supply of affordable housing.

- H. *Other information provided.*

The report states that Forest Grove has the most affordable housing in the Portland metropolitan area. Based on the 2000 Census, median rent was \$614 compared to \$720 in Washington County, and the median rent in Forest Grove rent is affordable to a four person household with an income of \$26,200 (50% of median family income). Also, based on the 200 Census, a median home value of \$155,000 in Forest Grove is well below the median home value of \$172,800 for the Portland-Vancouver MSA.

Outstanding Items:

2. Ensuring that the comprehensive plan and implementing ordinances include measures to increase dispersion of affordable housing. (Metro Code 3.07.730.A)
3. Consideration of the amendment of comprehensive plan and implementing ordinances to include four of the land use strategies in Metro Code Section 3.07.730.B (density bonus, inclusionary housing, local regulatory constraints, and parking).
4. Encouraged consideration of the implementation of three other affordable housing strategies in Metro Code Section 3.07.760 (replacement housing in urban renewal areas, inclusionary housing in urban renewal areas, and fee waivers).
5. Specific third-year reporting requirements (Metro Code 3.07.740.C).

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### **GLADSTONE**

On April 16, 2004, Metro received the City's report. The report stated that the report addressed all the Title 7 reporting requirements for the first year (2002), second year (2003) and third year (2004).

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The report states that while the City have not adopted the goals, it will use them to measure progress towards providing sufficient levels of affordable housing within the city.

- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The report includes policies in the City's comprehensive plan that addresses the need to provide diversity of housing choices and increase opportunities for households of all income levels to live in the city. However, the report did not include actions and implementation measures for maintaining the City's existing housing supply and for increasing the dispersion of affordable housing within its boundaries.

- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.* (See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

The City's report stated that the City Council found the existing Comprehensive Plan, Municipal Code, and non-land use programs currently provide sufficient means for creating affordable housing alternatives, hence it choose not to amend the comprehensive plan and municipal code. In addition, the report stated that adoption of local standards to boost affordable housing production would have a substantial effect on the City's ever shrinking supply of funds in this time of increasing need for services.

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	Discussed but unclear what action the City has taken
Replacement housing	Discussed but unclear what action the City has taken
Inclusionary housing	Discussed but unclear what action the City has taken

Transfer development rights	Discussed but unclear what action the City has taken
Elderly and people with disabilities	In use prior to January 2001
Local regulatory constraints	Reviewing development and design standards for impact on housing, considering use of cost/benefit analysis to determine the impact of new regulation on housing production were not specifically addressed.
Parking	Discussed but unclear what action the City has taken

- D. **Metro Code 3.07.760.B:** Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals. (See Metro Functional Plan Title 7 for more details on these five tools and strategies)

As mentioned earlier, the City's report stated that the City Council found the existing Comprehensive Plan, Municipal Code, and non-land use programs currently provide sufficient means for creating affordable housing alternatives, hence it choose not to amend the comprehensive plan and municipal code.

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	Discussed but unclear what action the City has taken
Inclusionary housing in urban renewal districts	Discussed but unclear what action the City has taken
Fee waivers or funding incentives	Discussed but unclear what action the City has taken
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	Not addressed in the report
Joint coordination or action	In use prior to January 2001

- E. **Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city of county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

- i) Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*
- ii) Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*
- iii) Pending amendments to the comprehensive plan and implementing ordinances.*
- iv) Public response to code changes.*

The City has not addressed these requirements.

F. **Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

The 2003 report was reviewed and approved by the City Council via resolution.

G. *Other information provided.*

The City's report stated that the City of Gladstone, through Clackamas County implements strategies that support the production of affordable housing. The strategies include property tax exemption, home Repair Loan Program, and homes for disabled persons.

Outstanding Items:

1. Ensuring that the City's comprehensive plan and implementing ordinances include measures to maintain the City's existing supply of affordable housing and increase the dispersion of affordable housing. (Metro Code 3.07.730.A)
2. Required consideration of the amendment of comprehensive plan and implementing ordinance amendments to include density bonus, replacement housing, inclusionary housing, transfer of development rights, parking, and local permitting and approval process that includes reviewing development and design standards for impact on housing and considering use of cost/benefit analysis to determine the impact of new regulation on housing production. (Metro Code 3.07.730.B)
3. Encouraged consideration of the amendment of comprehensive plan and implementing ordinance amendments to include the implementation of replacement housing and inclusionary housing in urban renewal areas, fee waivers or funding incentives, and promotion of affordable housing for incomes 50% to 120% of the regional median household income as outlined in Metro Code Section 3.07.760.
4. Specific third-year reporting requirements (Metro Code 3.07.740.C).



## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### GRESHAM

The third year (2004) report was not received by Metro. The City's first year (2002) report was received in January 2002, and the second year (2003) report was received in January 2003.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The City declined to adopt the voluntary goal. The report states that Gresham considered but declined to adopt Metro voluntary goal because "regional funding was not put in place to assist with affordable housing production."

- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The report includes excerpts from the City's comprehensive plan that adequately address maintaining the City's existing housing supply, increasing the dispersion of housing and maintaining housing diversity, and providing a housing supply for all income levels.

- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	Declined to adopt. The reason for declining to adopt are: a) the amendment of the city code in recent years to provide higher minimum densities that encourages duplexes and single family attached dwellings in neighborhoods historically dominated by single family detached dwellings; and b) city staff advice that developers are not seeking higher densities than those provided in the code.
Replacement housing	Declined to adopt because of the current job/housing imbalance that exist in the city.
Inclusionary housing	In use prior to January 2001

Transfer development rights	Declined to adopt because it is unlikely that to be effective in Gresham as the market does not exist for projects that have density in excess of what the city code permits.
Elderly and people with disabilities	Adopted in May 2002
Local regulatory constraints	In use prior to January 2001
Parking	In use prior to January 2001

**D. Metro Code 3.07.760.B:** Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.

(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	The City declined replacement housing as a land use strategy (see previous section), no mention of its use in urban renewal districts
Inclusionary housing in urban renewal districts	Inclusionary housing exists as a land use strategy. There is no mention of its use in urban renewal districts.
Fee waivers or funding incentives	No mention of these tools
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	In use prior to January 2001
Joint coordination or action	In use prior to January 2001

**E. Metro Code 3.07.730.C:** By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city of county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.

- i) Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.
- ii) Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)
- iii) Pending amendments to the comprehensive plan and implementing ordinances.
- iv) Public response to code changes.

These requirements were not addressed.

- F. **Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

The 2003 report was sent to Metro with a cover letter signed by the mayor that states that the housing report was recommended by the City of Gresham Community Development and Housing Committee, reviewed by the City of Gresham Planning Commission, and approved by the Gresham City Council on January 21, 2003.

- G. *Local initiatives not required or encouraged by Title 7.*

The City has several local tools that contribute to housing affordability. These include newly developed Infill Development Standards to “facilitate infill development while promoting neighborhood compatibility and to reduce the overall cost of housing while meeting community objectives.” The City also adopted the West Gresham Housing Mix Plan which “focuses on preserving affordable single family detached housing in West Gresham while permitting the development of new attached housing on single parcels in areas zoned for that purpose.”

- H. *Other information provided.*

The City’s report states that “Gresham has one of the region’s largest inventories of lower-cost non-subsidized rental housing.” According to the City, “in Spring 2001, the average cost of this Gresham housing was affordable to households earning about 52%-57% MFI.” In developing a methodology for estimating the supply and expected demand for affordable units in the region, the Metro Housing Technical Advisory Committee emphasized the importance of housing affordable to populations below 50% of MFI. Gresham is interested in adjusting this emphasis in order to receive credit for their existing housing stock.

Additionally, the Gresham report also states, “the formula used to generate the Regional Affordable Housing Production Goals does not take into account the difficulties faced by communities that have a jobs/housing ratio that is atypical. Gresham’s jobs/housing ratio of 1 to 1.17 is the lowest in the region, and is significantly worse than the regional average of 1 to 1.7.” Gresham states, “the jobs/housing balance issue is one of great significance for lower-income residents and jurisdictions. It is not addressed adequately in the formula used to set the regional affordable housing production goals.”

The Gresham report states that additional regional resources are needed to increase the region’s supply of affordable housing.

Outstanding Items:

1. Consideration of the amendment of the comprehensive plan and implementing ordinances to include implementation of fee waivers or funding incentives as a strategy for creating affordable housing as outlined in Metro Code Section 3.07.760. Also, the City declined replacement housing but did not mention its potential use in urban renewal areas. Also, inclusionary housing is an adopted tool in place in Gresham and it was not mentioned if this policy is used in urban renewal areas. (Metro Code 3.07.760.B )
2. Specific third-year reporting requirements (Metro Code 3.07.740.C).

**SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT  
FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)**

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**HAPPY VALLEY**

The third year (2004) report was not received by Metro. The City’s first year (2002) report was received by Metro in April 2003. The second year (2003) report was not received.

A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The report stated that the City accepts and is prepared to adopt the voluntary affordable housing production goals. The City Council has directed staff to “produce a workable program to accomplish this end.”

B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The report stated that the Housing Element of the City comprehensive plan includes policies to “provide a variety of lot sizes, diversity of housing types and a range of prices in all future residential development which will preserve and promote the character of the Happy Valley area.” Future work will focus on the affordability aspect of the diversity of housing types.

The City did not address the remaining two strategies in this section (measures to maintain the existing supply, and increase dispersion of affordable housing, and measures to increase affordable housing opportunities for household of all income levels.

C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

The City has considered and decided not to adopt two of the above land use tools (density bonus and inclusionary housing). The City’s efforts on the other tools is as follows:

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	Declined to adopt
Replacement housing	Discussed but no action taken
Inclusionary housing	Declined to adopt
Transfer development rights	Discussed but no action taken

Elderly and people with disabilities	Mentioned without an explanation of action being taken
Local regulatory constraints	Discussed but no action taken
Parking	Unclear explanation of City action

**D. Metro Code 3.07.760.B:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*  
 (See Metro Functional Plan Title 7 for more details on these five tools and strategies)

The report indicated that the City does not qualify for urban renewal development. The report did not state how the City intends to address the two related tools in Title 7, replacement housing in urban renewal areas and inclusionary housing in urban renewal areas.

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	Report stated that the City does not qualify for urban renewal development
Inclusionary housing in urban renewal districts	Not addressed in the report, however, the report states that the City does not qualify for urban renewal development.
Fee waivers or funding incentives	Discussed, however, "as development of units progresses the City will monitor unit rentals for affordability to determine if fee waivers will reduce rental rates.
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	Not addressed in the report
Joint coordination or action	In use prior to January 2001 (Title 7)

**E. Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

- i) *Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*
- ii) *Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*
- iii) *Pending amendments to the comprehensive plan and implementing ordinances.*
- iv) *Public response to code changes.*

These requirements were not addressed.

**F. Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

The 2002 report stated that the City Council approved the report.

Outstanding Items:

1. Consideration of the voluntary affordable housing production goals.
2. Ensuring that the comprehensive plan and implementing ordinances include measures to maintain the existing supply of affordable housing and increase dispersion of affordable housing, and measures to increase affordable housing opportunities for household of all income levels in the comprehensive plan and implementing ordinances. (Metro Code 3.07.730.A)
3. Consideration of the amendment of comprehensive plan and implementing ordinances to include five land use strategies (replacement housing, transfer of development rights, elderly and people with disabilities, local regulatory constraints, and parking). (Metro Code 3.07.760)
4. Encouraged consideration of the amendment of comprehensive plan and implementing ordinances to include two of the other affordable housing strategies in Metro Code Section 3.07.760 (fee waivers or funding incentives, and promotion of affordable housing for incomes 50% to 120% of the regional median household income).
5. Specific third-year reporting requirements (Metro Code 3.07.740.C).

**SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT  
FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)**

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**HILLSBORO**

**Note:** Metro received an email from the City containing the third year (2004) report. The report was received after the 2004 Annual Compliance Report has been packaged and distributed to the Metro Council. The City's report will be evaluated and presented to the to the Metro Council during the public hearing on the 2004 Annual Compliance Report in early 2005. The evaluation will update the information below.

The City's first year (2002) report was received by Metro in February 2002. The second year (2003) report was not received.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The report stated that the City discussed their affordable housing production goal in November 2000, when the Metro Affordable Housing Technical Advisory Committee was still developing the regional affordable housing production goals (i.e., prior to the adoption of Title 7 by the Metro Council in January 2001).

- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The City did not address the above three strategies in its report.

- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

The City has not considered adoption of the seven strategies. The report stated that the City "will further analyze the feasibility of the seven land use tools" and that within the next two years it "foresees adoption of an updated comprehensive plan which will likely include a number of affordable housing policies."

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
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Density bonus	Not addressed in the report
Replacement housing	Not addressed in the report
Inclusionary housing	Not addressed in the report
Transfer development rights	Not addressed in the report
Elderly and people with disabilities	Not addressed in the report
Local regulatory constraints	Not addressed in the report
Parking	Not addressed in the report

**D. Metro Code 3.07.760.B:** Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.

(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

One of the other affordable housing strategies in use in the City prior to adoption of Title 7 is the “joint coordination or action” strategy.

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	Not addressed in the report
Inclusionary housing in urban renewal districts	Not addressed in the report
Fee waivers or funding incentives	Not addressed in the report
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	Not addressed in the report
Joint coordination or action	In use prior to January 2001 (Title 7) The City coordinates with other agencies to increase affordable housing production

**E. Metro Code 3.07.730.C:** By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community’s affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.

- i) Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.
- ii) Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)
- iii) Pending amendments to the comprehensive plan and implementing ordinances.



iv) *Public response to code changes.*

These requirements were not addressed.

F. **Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

The 2002 report was sent to Metro under a cover letter signed by the Planning Director. The cover letter and the report did not indicate that the report was reviewed and approved by the City Council.

G. *Local initiatives not required or encouraged by Title 7.*

The report indicated that the City has other affordable housing tools and strategies such as the light rail zoning in the six Station Community Planning Areas that offers a diversity of affordable housing. Government rental assistance through the Washington County Section 8 program, and first time home-buyer program are additional local initiatives the City report mentioned.

H. *Other information provided.*

The City's report included a summary of the key findings of its 2020 Housing Needs Study (November 2000), the status of affordable housing in the City and related policies and initiatives, and a timeline for updating its Comprehensive Plan with Functional Plan Title 7 affordable housing policies. The City's housing needs study indicated a need for 2,707 affordable housing units for households earning less than 40% of Hillsboro median family income.

Outstanding Items:

1. Clarification if the elected body had reviewed and approved the annual compliance report prior to submitting it to Metro. (Metro Code 3.07.730)
2. Consideration of the voluntary affordable housing production goals. (Metro Code 3.07.720 )
3. Ensuring that the comprehensive plan and implementing ordinances include diversity strategies, measures to maintain the existing supply of affordable housing and increase dispersion of affordable housing, and measures to increase affordable housing opportunities for household of all income levels (Metro Code 3.07.730.A).
4. Consideration of the amendment of comprehensive plan and implementing ordinance with the seven land use strategies in Metro Code 3.07.730.B.
5. Encouraged consideration of the implementation of four of the other affordable housing strategies in Metro Code Section 3.07.760 (replacement housing in urban renewal areas, inclusionary housing in urban renewal areas, fee waivers and funding incentives, and the promotion of affordable housing for incomes 50% to 120% of the regional median household income).
6. Specific third-year reporting requirements (Metro Code 3.07.740.C).

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### JOHNSON CITY

The City has not submitted the 2002, 2003 and 2004 reports to address the requirements in the Metro Functional Plan Title 7 listed below.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*
- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)
- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)
- D. **Metro Code 3.07.760.B:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*  
(See Metro Functional Plan Title 7 for more details on these five tools and strategies)
- E. **Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city of county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*
- i) *Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*
  - ii) *Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*
  - iii) *Pending amendments to the comprehensive plan and implementing ordinances.*
  - iv) *Public response to code changes.*

F. **Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

Outstanding Items:

1. All of the above requirements are yet to be addressed.

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### KING CITY

The City's submitted the second year (2003) report that Metro received in January 2003. The first year (2002) report was not received. Metro received the City's 2004 report on June 21, 2004.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The City's 2003 report declined to adopt the voluntary goal. The report stated "the City Council has determined that setting an affordable housing goal is unnecessary". The report went on to say that the voluntary goal of 5 units is declined "due to the small size of the City, the wide selection of affordable housing in the city and adjacent unincorporated area, and residential zoning that is conducive to provide additional affordable housing."

- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The City's 2003 and 2004 report include excerpts from the City's comprehensive plan that address maintaining housing diversity and providing a housing supply for all income levels. The City's compliance reports do not make direct mention of specific comprehensive plan language to maintain the existing housing supply and increase the dispersion of housing. However, King City is persuasive in the contention that their unique situation as a retirement community, with housing that serves a predominantly lower income senior population, exempts them from the need to adopt these comprehensive plan policies.

- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	Declined to adopt because of the relatively high existing and planned residential densities in the city.
Replacement housing	Declined to adopt. The 2004 report states, "there is virtually no pressure to convert existing residences into nonresidential uses."

Inclusionary housing	Declined to adopt because of ample affordable housing units in the city.
Transfer development rights	Declined to adopt due to small city size and administrative complexity.
Elderly and people with disabilities	In use prior to January 2001
Local regulatory constraints	In use prior to January 2001
Parking	Declined. The City's 2004 report states that it has adopted Title 2 parking requirements and does not address parking policies as they relate to housing affordability as outlined in Title 7.

D. **Metro Code 3.07.760.B:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*

(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	Declined as a tool. (see above) In addition, the City does not have urban renewal districts.
Inclusionary housing in urban renewal districts	Declined as a tool. (see above) In addition, the City does not have urban renewal districts.
Fee waivers or funding incentives	Declined. The 2004 report states, "the city's land use applications review procedures are streamlined.." and "the city has the ability to waive an application if the condition warrants it."
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	Declined. The City states, "(King City) has a wide range of existing affordable housing, and much of it would accommodate this household income range."
Joint coordination or action	Declined. The report states, "it does not appear to the city there is any joint coordination or action required with any other agency or jurisdiction".

E. **Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in*

*subsection B of this section and on the public response, if any, to any implementation adopted by the city of county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

- i) Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*

Although this requirement was not addressed directly, King City states "with the exception of recently annexed land (100+ acres), the city is almost entirely developed. The report states also that the recently annexed area will soon begin to produce new housing within the density range prescribed in the Metro 2040 Growth Concept, and consistent with the existing housing stock in the city.

- ii) Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*

Though King City does not address the issue of partnership, the City addressed coordination by stating "...it does not appear to the city there is any joint coordination or action required with any other agency or jurisdiction."

- iii) Pending amendments to the comprehensive plan and implementing ordinances.*

No pending amendments were reported, other than the changes to the comprehensive plan that may have been associated with the recently annexed 100+-acre area previously known as Urban Reserve #47.

- iv) Public response to code changes.*

This requirement was not addressed.

**F. Metro Code 3.07.730: Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.**

The combined 2002 & 2003 report states that the content of the report was "reviewed and discussed" by the King City Council in January, 2003. The 2004 report was also reviewed and discussed at a June 16, 2004 meeting of the King City Council.

**G. Local initiatives not required or encouraged by Title 7.**

The City's reports do not detail any additional local approaches being taken to support affordable housing. However, the reports all state that King City was originally conceived as a retirement community in order to provide affordable housing for elderly persons on fixed incomes. Despite this, the report notes that the City's housing supply has diversified to include "affordable single family, duplex, and multi family residences".

**Outstanding Items:**

One section (public response) of the specific third-year reporting requirements (Metro Code 3.07.740.C).

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### LAKE OSWEGO

Metro received the City's 2004 report on June 2004. The City's second year (2003) report was received by Metro in December 2003. A first year (2002) report was not submitted.

A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The City declined to adopt the goals. The City's 2004 report states, "...the City Council has reviewed and considered the 5-year voluntary affordable housing goals and has concluded that the adoption of those goals for Lake Oswego would not be of any practical value for the community or the region for the following reasons:

- There is no sufficient time remaining between now and 2006 to make substantial progress towards the attainment of those goals.
- Lake Oswego has not had a local affordable housing program in the past and it will take some time for the recently appointed task force to complete its work, and for the recommendations of the task force to be reviewed and implemented.
- Lake Oswego has relatively little vacant land and developable residential land remaining within the City limits. What land is available is among the most expensive residential property in Oregon. The adoption of a set of goals will have no effect without programs that address land availability and land value. The City has not yet prepared any such programs, but the Affordable Housing Task Force will be addressing these issues.
- The City's Affordable Housing Task Force is being asked for recommendations that can lead to meaningful programs for affordability, some of which may be implemented fairly quickly and some of which may take some years to be effective.

B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The City's 2003 report highlighted some existing policies in its comprehensive plan and implementing ordinances addressing diversity and supply of affordable housing for all income levels. The 2004 report provides no further information.

C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

The 2004 report states that the Lake Oswego Planning Commission and City Council have conducted studies in the last two years to review affordable housing programs, and created a task force to advise the Commission and City Council on the issues of affordable housing. The recommendation of the task force is expected by the end of calendar year 2004.

Following table represents the City's progress in complying with the above requirements as detailed in the City's 2003 report.

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	Discussed with no action taken
Replacement housing	Discussed with no action taken
Inclusionary housing	Declined to adopt because the City have no designated funding source to defray subsidies that would help initiate implementation of the tool.
Transfer development rights	Discussed with no action taken
Elderly and people with disabilities	In use prior to January 2001
Local regulatory constraints	Discussed with no action taken
Parking	Discussed with no action taken

**D. Metro Code 3.07.760.B:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*

(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

Following table represents the City's progress in complying with the above requirements as detailed in the City's 2003 report.

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	Not addressed in the report
Inclusionary housing in urban renewal districts	Declined to adopt (per reasons in the previous section regarding inclusionary housing)
Fee waivers or funding incentives	Discussed with no action taken
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	Discussed with no action taken
Joint coordination or action	Discussed with no action taken



E. **Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

- i) *Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*
- ii) *Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*
- iii) *Pending amendments to the comprehensive plan and implementing ordinances.*
- iv) *Public response to code changes.*

The outcome of the City's affordable housing program and public response to its code changes are expected in its forthcoming report.

F. **Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

The City's 2003 report states that the City Council reviewed and approved the report. The 2004 report was signed by Community Development Director Stephan Lashbrook, and includes a copy of Resolution 04-28, creating the City's Affordable Housing Task Force.

G. *Other information provided.*

Clackamas County Housing Authority provides most of the affordable housing programs affecting the city. The City's report states "extremely high land values make it difficult to provide sufficient incentives to motivate the private sector to develop affordable housing."

Outstanding Items:

1. Ensuring that the City's comprehensive plan and implementing ordinances include measures to maintain the existing supply of affordable housing and increase dispersion of affordable housing (Metro Code 3.07.730.A)
2. Consideration of the amendment of comprehensive plan and implementing ordinances with the following five land use strategies in Metro Code 3.07.730.B. (density bonus, replacement housing, transfer development right, local regulatory constraints, parking).
3. Encouraged consideration of the implementation of four of the other affordable housing strategies in Metro Code Section 3.07.760 (replacement housing in urban renewal areas, fee waiver or funding incentives, efforts to promote affordable housing for other income groups, joint coordination or action).
4. Specific third-year reporting requirements (Metro Code 3.07.740.C).

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### MAYWOOD PARK

Per letter signed by the City's Mayor, the report that Metro received in January 2004 was intended to serve as the City's first year (2002), second (2003) year and third year (2004) reports.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

Due to the methodology employed in the 1998 Regional Affordable Housing Strategy, the City was apportioned affordable housing production goal of zero.

- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The City did not address the above three strategies in its report.

- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

The report states that the City has revised its parking ordinance consistent with Metro's Functional Plan (Title 2). Metro's Title 2 does not address affordable housing, hence the City has not completely considered this strategy. The City discussed the other six land use strategies and decided not to adopt them.

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	Declined to adopt because the City has no developable land.
Replacement housing	Declined to adopt because the City "is not proposing any planned map amendment which will result in loss of affordable housing."
Inclusionary housing	Declined to adopt because the City has no developable land and cannot therefore offer developers this strategy.
Transfer development rights	Declined to adopt because the City is completely

	developed.
Elderly and people with disabilities	Declined to adopt because residential zoning is not in conflict with accommodation of elderly and people with disabilities.
Local regulatory constraints	Declined to adopt because the City has no regulatory constraints inhibiting development.
Parking	Unclear what action the City has taken

**D. Metro Code 3.07.760.B:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*

(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	Declined to adopt (per reasons in the previous section regarding replacement housing)
Inclusionary housing in urban renewal districts	Declined to adopt (per reasons in the previous section regarding inclusionary housing)
Fee waivers or funding incentives	Not addressed in the report
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	Not addressed in the report
Joint coordination or action	Not addressed in the report

**E. Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

- i) Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*
- ii) Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*
- iii) Pending amendments to the comprehensive plan and implementing ordinances.*
- iv) Public response to code changes.*

These requirements were not addressed.

F. **Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

The combined 2002 & 2003 report stated that the City Council reviewed and approved the report.

Outstanding Items:

Although the City's report stated that the report satisfies Metro's Title 7 requirements for the third/final (2004) annual report, the following are the outstanding items the City would have to address to be in compliance.

1. Ensuring that the City's comprehensive plan and implementing ordinances include diversity strategies, measures to maintain the existing supply of affordable housing and increase dispersion of affordable housing, and measures to increase affordable housing opportunities for household of all income levels. (Metro Code 3.07.730.A)
2. Consideration of the amendment of comprehensive plan and implementing ordinances with the parking measures that encourages affordable housing (Metro Code 3.07.730.B)
3. Encouraged consideration of the implementation of three of the other affordable housing strategies in Metro Code Section 3.07.760 (fee waivers or funding incentives; efforts targeted at households at 50-80% and 80-120% of the regional median household income, and joint coordination).
4. Specific third-year reporting requirements (Metro Code 3.07.740.C).

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### MILWAUKIE

**Note:** Metro received an email from the City containing the third year (2004) report. The report was received after the 2004 Annual Compliance Report has been packaged and distributed to the Metro Council. The City's report will be evaluated and presented to the to the Metro Council during the public hearing on the 2004 Annual Compliance Report in early 2005. The evaluation will update the information below.

The City did not submit the first year (2002) and second year (2003) reports but did submit letters (January 2002, March 2003 and June 2004) updating Metro on the City's efforts to formally address Title 7 requirements.

A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The 2004 submission states that the City has yet to publicly consider the voluntary affordable production goals. However, the 2004 submission lists the consideration of the goals among the tasks the City Council will address by November 1, 2004. As of the writing of this report (December, 2004) no additional information has been received.

B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The City's 2004 submission cites specific comprehensive plan sections that satisfy this Title 7 requirement, however, it is unclear if the submission was reviewed and considered by the City Council.

C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	Unclear of action taken by the City.
Replacement housing	Not addressed in the report
Inclusionary housing	Not addressed in the report
Transfer development rights	Unclear of action taken by the City. This strategy is referenced in the 2004 report as an existing tool employed by the City. However, additional information is needed to address the way the tool is used to create affordable housing.
Elderly and people with	Unclear of action taken by the City.

disabilities	
Local regulatory constraints	Declined to adopt. The report states that the City has no regulatory constraints inhibiting development.
Parking	Unclear what action the City has taken

- D. **Metro Code 3.07.760.B:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*  
 (See Metro Functional Plan Title 7 for more details on these five tools and strategies)

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	Not addressed in the report
Inclusionary housing in urban renewal districts	Not addressed in the report
Fee waivers or funding incentives	Not addressed in the report
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	Not addressed in the report
Joint coordination or action	Unclear what actions the City has taken in the past or currently. The City's 2004 report states its "participation in regional and county programs aimed at identifying housing need, administering state and federal monies .."

- E. **Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

- i) *Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*
- ii) *Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*
- iii) *Pending amendments to the comprehensive plan and implementing ordinances.*
- iv) *Public response to code changes.*

The City did not address these requirements.

- F. **Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

There was no indication that the letter and supplementary information sent to Metro by the Mayor was reviewed and approved by the governing body of the City.

### *G. Other information provided.*

Milwaukie's 2004 submission explains that the City adopted a strategy on May 4, 2004 for completing the requirements of Title 7. The City also states that it has "completed research on city demographics, housing characteristics, and historical housing production and the Title 7 task of identifying existing affordable housing policies and implementation measures."

Milwaukie also mentions the following other strategies that are currently in use:

1. Encouragement of multifamily, manufactured and mobile homes in appropriate locations.
2. Encouragement of infill housing that "uses innovative development techniques that reduce housing costs."
3. Identification and assistance to "individuals and neighborhoods in obtaining funds for housing rehabilitation, neighborhood parks, and rental assistance."
4. Encouragement of programs to "assist needy homeowners in rehabilitating and maintaining their property".
5. Encouragement of diverse housing types and a "diverse range of affordable housing" in the Milwaukie Town Center.

### Outstanding Items

1. Clarification if the elected body had reviewed and approved the report prior to submitting it to Metro. (Metro Code 3.07.730)
2. Consideration of the voluntary affordable housing production goals. (Metro Code 3.07.720)
3. The City's 2004 submission includes excerpts from the comprehensive plan and implementing ordinances that outline diversity strategies, measures to maintain the existing supply of affordable housing and increase dispersion of affordable housing, and measures to increase affordable housing opportunities for household of all income levels (Metro Code 3.07.730.A). However, the City Council must officially consider the compliance report in order for the information to count towards compliance.
4. Consideration of the amendment of comprehensive plan and implementing ordinance with the seven land use strategies in Metro Code 3.07.730.B. (The 2004 submission mentions density bonus, transfer of development rights, and strategies to provide affordable housing for the elderly and disabled as existing, and declining to adopt local regulatory constraints. However, the City Council must officially consider the compliance report in order for this information to count towards compliance.)
5. Encouraged consideration of the implementation of four of the other affordable housing strategies in Metro Code Section 3.07.760 (replacement housing in urban renewal areas, inclusionary housing in urban renewal areas, fee waivers and funding incentives, and the promotion of affordable housing for incomes 50% to 120% of the regional median household income).
6. Specific third-year reporting requirements (Metro Code 3.07.740.C).

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### OREGON CITY

Metro received the first year (2002) and second year (2003) reports on October 20, 2004.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

Discussed and no formal action taken, however, it will use the goals as guideline for supporting the production of affordable housing. The City's Housing Resource Document concluded that in order to find housing, low-income households may have to double up or accept substandard units.

- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The City adopted new policies in its updated comprehensive plan addressing the three strategies. The report did not state if the policies have been adopted into the city's implementing ordinances.

- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	Discussed with no action taken. Proposed in its comprehensive plan amendment, to allow housing development that would be affordable to residents earning less than 50% of the City's median income.
Replacement housing	Unclear of action taken. Although the City's second annual report states it expects to adopt the strategy pending final review of the updated comprehensive plan (page 2), it states also "tool adopted" in another section (page 5).
Inclusionary housing	Existing (partial). Mixed use zones have parking reductions; City's policy is consistent with Clackamas



	County Consolidated Plan that guide affordable housing production; proposed density bonus for housing for less than 50% MFI.
Transfer development rights	Declined to adopt because the availability of vacant land and higher densities allowed in downtown and along Molalla Boulevard negates the need for a TDR to develop high density housing in the City.
Elderly and people with disabilities	In use prior to January 2001
Local regulatory constraints	Unclear how City addressed specific measures listed in Title 7 or how its actions would support the production of affordable housing. The City's evaluation of this tool is ongoing.
Parking	Adopted (new)

**D. Metro Code 3.07.760.B:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*

(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	Discussed with no action taken
Inclusionary housing in urban renewal districts	Discussed with no action taken
Fee waivers or funding incentives	In use prior to January 2001 (Title 7)
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	No mention of this strategy
Joint coordination or action	No mention of these tools

**E. Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

- i) Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served; and*
- ii) Partnership that were created between the city and affordable housing developers (non-profit developers and private sector developers)*
- iii) Pending amendments to the comprehensive plan and implementing ordinances.*

*iv) Public response to the voluntary affordable housing production goals, policies, tools and strategies for affordable housing, and funding for housing.*

The City did not address these requirements.

**F. Metro Code 3.07.730.B:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

The 2002 and 2003 reports were sent to Metro with the city Resolution approved on September 15, 2004.

**G. Local initiatives not required or encouraged by Title 7.**

1) Adopted new policies to allow site-built manufactured housing to meet requirements of state and federal law, and to allow accessory dwelling units; 2) Transit-oriented projects may receive parking reductions (10% to 50% reductions, depending on the zone) in mixed areas downtown and along transportation corridors; 3) Proposed to ensure potential loss of affordable housing is replaced when considering amendments to its comprehensive plan.

Outstanding Items:

1. Consideration of the voluntary affordable housing production goal. (Metro Code 3.07.720 )
2. Consideration of the amendment of comprehensive plan and implementing ordinance with the following five land use strategies in Metro Code 3.07.730.B. (density bonus, replacement housing and local regulatory constraints).
3. Encouraged consideration of the implementation of four of the other affordable housing strategies in Metro Code Section 3.07.760 (replacement housing resulting from urban renewal areas, inclusionary housing in urban renewal areas, promotion of affordable housing for incomes 50% to 120% of the regional median household income, and joint coordination or action).
4. Specific third-year reporting requirements (Metro Code 3.07.740.C).

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### PORTLAND

Metro received the third year (2004) report in June 2004. The City's first year (2002) report was received in July 2002. The second year (2003) report was received on December 29, 2004.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The City adopted the voluntary affordable housing production goal (1,791 units). In addition, the City adopted the voluntary affordable housing production goal (134 units) for the Multnomah County unincorporated areas within the Portland Urban Service Boundary.

- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The City currently implements all elements of the three strategies. The City reported existing strategies in its comprehensive plan addressing diversity of affordable housing, maintaining the existing supply and dispersal of affordable housing, and providing affordable housing opportunities for households of all income levels.

- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	In use prior to January 2001 (Title 7)
Replacement housing	In use prior to January 2001 (Title 7)
Inclusionary housing	In use prior to January 2001 (Title 7)
Transfer development rights	In use prior to January 2001 (Title 7)
Elderly and people with disabilities	In use prior to January 2001 (Title 7)
Local regulatory constraints	In use prior to January 2001 (Title 7)
Parking	In use prior to January 2001 (Title 7)

- D. **Metro Code 3.07.760.B:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding*

*incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*

(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	In use prior to January 2001 (Title 7)
Inclusionary housing in urban renewal districts	In use prior to January 2001 (Title 7)
Fee waivers or funding incentives	In use prior to January 2001 (Title 7)
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	In use prior to January 2001 (Title 7)
Joint coordination or action	In use prior to January 2001 (Title 7) The City coordinates with numerous agencies to increase affordable housing production

**E. Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city of county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

*i) Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served;*

The City implements affordable housing through various city agencies (Portland Development Commission, Bureau of Housing and Community Development, Bureau of Planning and Housing Authority of Portland). The activities of these agencies have resulted in affordable units produced by non-profits providers that are scattered across the City. These agencies also coordinates with the for-profit developers to provide affordable housing in the South Waterfront District (375 units affordable to households earning less than 50% of MFI and 800 units affordable to households earning less than 120% of MFI), Central City District (zoning code provisions increasing the number of units required per acre from 29 units to 43 units as required to promote housing for larger households) and St. Johns Lombard District. In addition, over 5,000 units have been built that have made use of the City's tax exemption program.

*ii) Partnership that were created between the city and affordable housing developers (non-profit developers and private sector developers).*

Joint coordination with developers in the Central City District, South Waterfront District and St. Johns Lombard District.

*iii) Pending amendments to the comprehensive plan and implementing ordinances.*

Although the City has met the requirements of Title 7, there are on-going code amendments and budget actions that will contribute to the production of more affordable housing units. For example, the City proposed allocation of \$11 million from the general fund for affordable housing in the next three years.

*iv) Public response to code changes.*

Various groups and citizens provided public comments supporting the adoption of the affordable housing production goals, the North Macadam Urban Renewal Area, Pleasant Valley Concept Plan (allowing duplexes, smaller lot sizes, accessory units), St. Johns Lombard Plan, and City of Portland Tax Exemption Programs (adding affordability requirements for rental projects)

**F. Metro Code 3.07.740.C:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

The 2003 report was adopted by the City Council.

**G. Local initiatives not required or encouraged by Title 7.**

The City proposed allocation of \$11 million from the general fund for affordable housing in the next three years. Over 15 other tools and strategies are currently in use or exist in the form of housing policy in the City's comprehensive plan, strategies and incentives in the City's Zoning Code (Title 33), and in the City's various housing programs. These tools include: 1) a housing preservation program (guaranteeing 60 years of continued affordability for units assisted with public funds); 2) a program to ensure no net loss of housing for the central city; 3) fair housing program for minorities and low income people in protected classes; 4) homebuyer opportunity areas; 5) Portland Community Land Trust; 6) the permitting of accessory dwelling units (required by Title 1 of the Functional Plan) that typically consist smaller affordable housing units; 6) floor area ratio (FAR) bonuses; 7) single room occupancy (SRO) housing; 8) property tax exemption; 9) staffing and funding a region-wide web-based Housing Connections site to provide information on low income housing and service availability; 10) funding support for the Portland Housing Center; 11) funding support for African-American, Latino, and Asian-American Homebuyer Fairs; 12) funding assistance for the HOPE VI project undertaken by the Housing Authority of Portland; 13) leadership for the HOME consortium; 14) leadership for the Housing for Persons with AIDS consortium; 15) extensive use of Community Development Block Grant funds for direct and indirect housing activities; 16) continued support for the creation of a Regional Housing Trust Fund.

**H. Other Information Provided:**

The City reported that its Auditor report documented that \$100 million of City resources have assisted over 11,700 housing units during the four-year period from FY1996/97 to FY 1999/00.

Outstanding Items:

The City has met all Title 7 requirements.

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### RIVERGROVE

The City has not submitted the 2002, 2003 and 2004 reports to address the requirements in the Metro Functional Plan Title 7 listed below.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*
- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)
- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)
- D. **Metro Code 3.07.760.B:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*  
(See Metro Functional Plan Title 7 for more details on these five tools and strategies)
- E. **Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city of county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*
- i) *Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*
  - ii) *Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*
  - iii) *Pending amendments to the comprehensive plan and implementing ordinances.*

iv) *Public response to code changes.*

F. **Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

Outstanding Items:

1. All of the above requirements are yet to be addressed.
2. Specific third-year reporting requirements (Metro Code 3.07.740.C).

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### SHERWOOD

The City has not submitted the 2002, 2003 and 2004 reports to address the requirements in the Metro Functional Plan Title 7 listed below.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*
- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)
- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)
- D. **Metro Code 3.07.760.B:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*  
(See Metro Functional Plan Title 7 for more details on these five tools and strategies)
- E. **Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city of county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*
- i) *Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*
  - ii) *Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*
  - iii) *Pending amendments to the comprehensive plan and implementing ordinances.*
  - iv) *Public response to code changes.*



F. **Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

Outstanding Items:

1. All of the above requirements are yet to be addressed.
2. Specific third-year reporting requirements (Metro Code 3.07.740.C).

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### TIGARD

**Note:** Metro received an email from the City containing the third year (2004) report. The report was received after the 2004 Annual Compliance Report has been packaged and distributed to the Metro Council. The City's report will be evaluated and presented to the to the Metro Council during the public hearing on the 2004 Annual Compliance Report in early 2005. The evaluation will update the information below.

The evaluation below is in the Metro 2003 Annual Compliance Report, and was based on the City's first year (2002) report received in May 2002, and the second year (2002) report received in February 2003.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The report states that the City Council has considered adopting the voluntary affordable housing goal but has taken no formal action. The Council feels that the adoption of the goal might "help highlight the need for more affordable housing", but "would not in and of itself result in the production of additional units."

- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The report includes excerpts from the City's comprehensive plan that address maintaining housing diversity and a housing supply for all income levels. However, the City's report did not outline specific comprehensive plan strategies for maintaining the City's existing housing supply and increasing the dispersion of affordable housing.

- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	Discussed but no action taken

Replacement housing	Declined to adopt because the City does not have staff time to conduct an inventory of affordable housing units that is needed to implement this strategy.
Inclusionary housing	Declined to adopt without clear reason.
Transfer development rights	Discussed but no action taken
Elderly and people with disabilities	In use prior to January 2001
Local regulatory constraints	In use prior to January 2001 (partial)
Parking	In use prior to January 2001

D. **Metro Code 3.07.760.B:** Local jurisdictions are *encouraged to consider* implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.

(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	Declined replacement housing as a land use strategy (per reasons in the previous section regarding replacement housing), no mention of its use in urban renewal districts
Inclusionary housing in urban renewal districts	Declined inclusionary housing as a land use strategy (per reasons in the previous section regarding replacement housing), no mention of its use in urban renewal districts
Fee waivers or funding incentives	In use prior to January 2001
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	In use prior to January 2001
Joint coordination or action	In use prior to January 2001

E. **Metro Code 3.07.730.C:** By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.

- i) Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.

- ii) *Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*
- iii) *Pending amendments to the comprehensive plan and implementing ordinances.*
- iv) *Public response to code changes.*

The City did not address these requirements.

- F. **Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

The 2003 report indicated that the Tigard City Council had adopted the report in September 2002, “as a complete and official statement of the City of Tigard’s Affordable Housing Program.”

- G. *Local initiatives not required or encouraged by Title 7.*

The City has several local tools that contribute to housing affordability. These include providing rent-free space to Community Partners for Affordable Housing from 1997 to 2002 and supporting the Good Neighbor (homeless) Center. Other initiatives include establishing a Housing Emergency Fund to assist occupants of housing declared to be unsafe or uninhabitable and supporting the sale or donation of tax foreclosed and surplus County and City-owned properties to non-profit housing providers.

- H. *Other information provided.*

The City of Tigard adopted their Affordable Housing Program in September 2002. This program outlines the City’s approach to supporting affordable housing in their community. The City has also adopted a community-visioning document called Tigard Beyond Tomorrow that defines the City’s long-term goals. Included among these goals are strategies to educate citizens about the importance of affordable housing, to make incentive programs available to providers of affordable housing units, and to review the City’s zoning code and comprehensive plan policies to provide maximum opportunities for affordable housing.

Outstanding Items:

1. Ensuring that the City’s comprehensive plan and implementing ordinances include measures to maintain the City’s existing supply of affordable housing and increase the dispersion of affordable housing. (Metro Code 3.07.730.A)
2. Consideration of the amendment of comprehensive plan and implementing ordinance amendments to include density bonus and the transfer of development rights in Metro Code 3.07.730.B.
3. Encouraged consideration of the amendment of comprehensive plan and implementing ordinance amendments to include the implementation of replacement housing and inclusionary housing in urban renewal areas as outlined in Metro Code Section 3.07.760.
4. Specific third-year reporting requirements (Metro Code 3.07.740.C).

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### TROUTDALE

The third year (2004) report was not received by Metro. Per letter signed by the City's Community Development Director, the report that Metro received in June 2003 was intended to serve as the City's first (2002) and second (2003) year reports.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The City declined to adopt the voluntary goal. The City discussed the regional goal of providing affordable housing, but declined to adopt the voluntary because "it appears that the free market is working to meet the affordable housing needs of low income in this area." Other reasons include "a 228-unit low income apartment complex was constructed...and all of the units are being rented to households making 60% or less of Multnomah County' median household income."

- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The City highlighted some existing policies in its comprehensive plan and implementing ordinances addressing diversity of affordable housing as well as measures aimed at increasing affordable housing opportunities for household of all income levels. The report did not state which existing policies address the maintenance of the existing supply of affordable housing in the City or the encouragement of opportunities for new dispersed affordable housing within its boundaries.

- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

As stated in the report, the City discussed the seven strategies but declined to adopt the four shown in the table below. There are measures in place for meeting the locational needs for elderly and people with disabilities, measures addressing some portions of local regulatory constraints, and parking requirements that ensure the production of affordable housing.

Land use strategy (Metro Code)	Jurisdiction Action
--------------------------------	---------------------

Density bonus	Declined to adopt because of lack of staff and expertise for administration and monitoring of this strategy.
Replacement housing	Declined to adopt because of lack of staff and expertise for administration and monitoring of this strategy.
Inclusionary housing	Declined to adopt because of preference to let the free market determine location and need for affordable housing.
Transfer development rights	Declined to adopt because of lack of staff and expertise for administration and monitoring of this strategy.
Elderly and people with disabilities	In use prior to January 2001 (Title 7)
Local regulatory constraints	In use prior to January 2001 (Title 7) – (partial)
Parking	In use prior to January 2001 (Title 7)

D. **Metro Code 3.07.760.B:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*  
(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

The City’s report states that fee waivers or funding incentives (through waiving of transportation SDC associated with use change, including change to affordable housing) have been implemented by the city to some extent. The report also stated that the City “has also demonstrated willingness to be flexible in how it applies SDCs to special needs housing projects, thereby making them affordable.” However, the report stated that because it is not aware of any housing project proposed for construction that was rendered financially infeasible due to its permit fees, the City does not believe that waiving fees will necessarily attract more affordable housing projects.

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	Declined to adopt because the City attempted to establish an urban renewal district that was overturned by voters in 2002. In addition, see reasons in the previous section regarding replacement housing.
Inclusionary housing in urban renewal districts	Declined to adopt because the City attempted to establish an urban renewal district that was overturned by voters in 2002. In addition see reasons in the previous section regarding inclusionary housing.

Fee waivers or funding incentives	Declined to adopt because the City is not aware of any housing project proposed for construction that was rendered financially infeasible due to its permit fees.
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	In use prior to January 2001 (Title 7)
Joint coordination or action	Not addressed in the report

**E. Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

- i) Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*
- ii) Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*
- iii) Pending amendments to the comprehensive plan and implementing ordinances.*
- iv) Public response to code changes.*

The City did not address these requirements.

**F. Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

The combined 2002 & 2003 report stated that the City Council had approved the report.

**G. Local initiatives not required or encouraged by Title 7.**

Allowed an RV park originally intended as overnight campground for traveling public to become a de facto affordable housing project when the facility became popular among retired persons and lower income residents who reside in motor homes and other types of recreational vehicles.

**H. Other information provided.**

One of the new uses being considered by the City for its former sewage treatment plant site located in downtown includes a housing component. The report stated that "the City could specify in the sales agreement for the property that the development must include a certain number of affordable housing units."

**Outstanding Items:**

1. The City has declined to adopt the voluntary affordable housing production goal.

1. Ensuring that the comprehensive plan and implementing ordinances include measures to maintain the existing supply of affordable housing and increase dispersion of affordable housing. (Metro Code 3.07.730.A)
2. Consideration of the amendment of comprehensive plan and implementing ordinances to address fully the impact of all components of local regulatory constraints on affordable housing. (No measures are in place to address review design and development review standards for impact on affordable housing or the use of cost-benefit analysis to determine impact of new regulations. (Metro Code 3.07.730.B )
3. Encouraged consideration of the implementation of the other affordable housing strategies in Metro Code Section 3.07.760 (replacement housing resulting from urban renewal, inclusionary housing in urban renewal districts, and joint coordination activities).
4. Specific third-year reporting requirements (Metro Code 3.07.740.C).



## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### TUALATIN

The third year (2004) and second year (2003) reports were not received by Metro. The City's first year (2002) report was received in May 2002.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The report did not address affordable housing production goals.

- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The City did not address the above three strategies in its report.

- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

The report stated that density bonus, replacement housing, and inclusionary housing strategies are not currently implemented. The transfer of development rights (TDR) provision adopted in the City code is not tailored to encourage the production of affordable housing. In addition, the report did not state that the strategy is addressed in the comprehensive plan. Local regulatory constraints have been partially addressed as explained in the table below.

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	Not addressed in the report
Replacement housing	Not addressed in the report
Inclusionary housing	Not addressed in the report
Transfer development rights	Unclear. Addressed in the report, but is not tailored to the production of affordable housing. Related zoning strategy is designed to concentrate development in a developable area of the parcel, and does not involve transfer between separate sites. There is also no

	indication that TDR is implemented in the town center and main streets.
Elderly and people with disabilities	In use prior to January 2001 (Title 7)
Local regulatory constraints	In use prior to January 2001 (Title 7) – (partial)
Parking	Unclear. This tool was described with insufficient detail to evaluate the City’s effort to adjust parking regulations to increase affordable housing opportunities.

**D. Metro Code 3.07.760.B:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*

(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	Not addressed in the report
Inclusionary housing in urban renewal districts	Not addressed in the report
Fee waivers or funding incentives	Not addressed in the report
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	In use prior to January 2001 (Title 7)
Joint coordination or action	Not addressed in the report

**E. Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city of county to increase the community’s affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

- i) Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*
- ii) Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*
- iii) Pending amendments to the comprehensive plan and implementing ordinances.*
- iv) Public response to code changes.*

The City did not address these requirements.

*F. **Metro Code 3.07.730:** Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

The 2002 report was sent to Metro with a cover letter signed by Tualatin staff, with no indication whether the report had been reviewed and approved by the City Council.

*G. Local initiatives not required or encouraged by Title 7.*

Some tools and strategies the City has used include: 1) changing the density of a trailer park; 2) townhouses allowed outright in certain zones; and 3) changes to the central urban renewal district to accommodate affordable housing.

Outstanding Items:

1. Clarification if the elected body had reviewed and approved the annual compliance report prior to submitting it to Metro. (Metro Code 3.07.730)
2. Consideration of the voluntary affordable housing production goals.
3. Ensuring that the comprehensive plan and implementing ordinances include diversity strategies, measures to maintain the existing supply of affordable housing and increase dispersion of affordable housing, and measures to increase affordable housing opportunities for household of all income levels. (Metro Code 3.07.730.A)
4. Consideration of the amendment of comprehensive plan and implementing ordinances with four land use strategies (density bonus, replacement housing, inclusionary housing, transfer of development rights, and parking. (Metro Code 3.07.730.B)
5. Consideration of the amendment of comprehensive plan and implementing ordinances to addresses fully the impact of all components of local regulatory constraints on affordable housing. Measures are in place addressing two components of the strategy (examine development and design standards for impact on affordable housing; consider using cost benefit analysis to determine impact of new regulation on housing production). The other four components of the strategy are not addressed by the existing measures. (Metro Code 3.07.730.B)
6. Encouraged consideration of the implementation of other affordable housing strategies in Metro Code Section 3.07.760 (replacement housing in urban renewal areas, inclusionary housing in urban renewal areas, fee waivers or funding incentives and joint coordination efforts to increase affordable housing production).
7. Specific third-year reporting requirements (Metro Code 3.07.740.C).

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### WEST LINN

Metro received a letter from Mayor Dodds on July 9, 2004 that serves as the City's 2004 report. Prior to this submission, Metro received a single report from the City in February 2003 that is intended to serve as the first (2002) and second (2003) year reports.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The City report states "Adoption of this goal is recommended, but not mandatory. West Linn chooses not to adopt an Affordable Housing Production goal, for reasons discussed in depth later in this letter." The reasons are included in the statements following the requirements below.

- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The 2002/2003 submission included excerpts from the City's comprehensive plan that addressed measures to provide the supply of housing for all income levels. The 2004 report from the Mayor does not address these specific strategies but states, "The West Linn comprehensive plan and community development code are in compliance with the Statewide Planning Goals and implementing rules requiring a diversity of housing types and affordable housing opportunities. The City does not believe that any additional changes to our comprehensive plan or community development code are necessary to further ensure affordable housing within West Linn."

- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

Density bonus strategy, measures addressing affordable housing for elderly and people with disabilities strategy, and parking requirements to ensure affordable housing are being implemented in the City.

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	In use prior to January 2001 (Title 7) in Planned Unit

	Developments
Replacement housing	Discussed but no action taken. The 2004 report states the City “has not experienced any significant problem with the issue,” however the City is considering reducing the incentive to tear down single-family residences and replace them with McMansions by limiting the FAR of new single family homes.”
Inclusionary housing	Existing in Planned Unit Developments (PUDs)
Transfer development rights	Existing in Planned Unit Developments
Elderly and people with disabilities	In use prior to January 2001 (Title 7)
Local regulatory constraints	Declined to adopt
Parking	In use prior to January 2001 (Title 7)

**D. Metro Code 3.07.760.B:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*

(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

Measures for promoting affordable housing for other income groups (50% to 120% of the regional median household income) is currently implemented in the City.

One of these five other strategies in 3.07.760 (promotion of affordable housing for incomes 50% to 120% of the regional median household income)

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	No addressed in the report
Inclusionary housing in urban renewal districts	No addressed in the report
Fee waivers or funding incentives	No addressed in the report
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	In use prior to January 2001 (Title 7)
Joint coordination or action	Not addressed in the report

**E. Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community’s affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

- i) *Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*
- ii) *Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*
- iii) *Pending amendments to the comprehensive plan and implementing ordinances.*
- iv) *Public response to code changes.*

The City did not address these requirements.

**F. Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

Although the Mayor signed the 2004 report, there is no indication that the report was reviewed and approved by the City Council. The combined 2002 & 2003 report was sent to Metro by the interim planning director with no indication that the report had been reviewed and approved by the City Council.

**G. Local initiatives not required or encouraged by Title 7.**

The 2004 report stated that the City has utilized several local tools to contribute to housing affordability and continues to do so now. The tools include a Community Development Block Grant that improved streets in the Willamette Neighborhood, a qualifying low-income area of the City. The City also established 1- to 20-unit per acre residential land use districts that provide development opportunities ranging from detached single-family to high density multi-family units. The City also allows manufactured homes in all residential zoning districts.

**H. Other information provided.**

The City's 2002/2003 report stated that the City will be addressing a list of recommended actions on affordable housing in early to mid 2003. This list included:

- a. Evaluate how West Linn can meet its share of the regional need for housing
- b. Identify constitutionally justifiable measures to encourage the provision of affordable housing.
- c. Determine the costs of providing or subsidizing affordable housing.

The report also states that amendments to the Community Development Code and/or the introduction of programs to assist in the provision of affordable housing may follow in 2003 or 2004.

The 2004 report did not provide any further information on these topics. The report states, "The City of West Linn and its citizens have expressed a strong desire, through their votes, that future growth and development within the city "pay its own way." Since many of the policies recommended by Metro involve subsidies for affordable housing, and since current Oregon law does not allow cities and other governmental agencies to collect the full costs of new residential development from developers and builders, West Linn has no intent or desire to implement such policies."

Outstanding Items:

1. Clarification if the elected body had reviewed and approved the annual compliance report prior to submitting it to Metro. (Metro Code 3.07.730)
2. Ensuring that the comprehensive plan and implementing ordinances include diversity strategies, and measures to maintain the existing supply of affordable housing and to increase dispersion of affordable housing, and measures to increase affordable housing opportunities for household of all income levels. (Metro Code 3.07.730.A)
3. Consideration of the amendment of comprehensive plan and implementing ordinance amendments to include replacement housing strategies in Metro Code 3.07.730.B.
4. Encouraged consideration of the amendment of comprehensive plan and implementing ordinance amendments to include the implementation of replacement housing and inclusionary housing in urban renewal areas, fee waiver or funding incentive and joint coordination or action as outlined in Metro Code Section 3.07.760
5. Specific third-year reporting requirements (Metro Code 3.07.740.C).

**SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT  
FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)**

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**WILSONVILLE**

The third year (2004) report was not received by Metro. Metro received a single report in June of 2004 that the City intends to serve as the 2002 and 2003 report, and this report states that a third year report will be submitted.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The City's report does not state whether the City has considered adoption of the goals. The report states that the City intends to complete a Residential Buildable Lands Analysis in order to establish goals for "low and moderate cost housing."

- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The City has measures for maintaining the existing supply of affordable housing and increasing the dispersion of housing and maintaining housing diversity, and for providing a housing supply for all income levels.

- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	Unclear explanation of City action. The 2002/2003 report states "the maximum zoned density does not include the density bonus for zones that allow them ...the Wilsonville Code makes no provision for density bonus of any kind."
Replacement housing	In use prior to January 2001 (partial). Although the City has strong Comprehensive Plan policies requiring replacement of existing affordable housing that is displaced by other development, measures to implement replacement housing has yet to be developed, pending the completion of the



	Residential Buildable Lands and Needs Analysis.”
Inclusionary housing	Unclear explanation of City action. This tool is listed in City Implementation Measure 4.1.4m as one the City will consider. However, a different section of the report states that the City “may or may not use this tool, depending on the identified need and the availability of other resources to meet that need.”
Transfer development rights	Unclear explanation of City action. Although the report states a transfer of development rights strategy exists for Significant Resource Overlay Zones, it is unclear what action the City has taken to consider this strategy as it applies to the provision of affordable housing.
Elderly and people with disabilities	Existing. In use prior to January 2001 (Title 7)
Local regulatory constraints	Unclear explanation of City action. The 2002/2003 report states a number of actions the City takes to streamline the permitting process. However, it is unclear if these strategies apply directly to affordable housing projects. Also, this tool is listed in City Implementation Measure 4.1.4m as one the City will consider. However, no further detail is provided.
Parking	Unclear if the City has considered strategies related to parking requirements and housing affordability.

- D. Metro Code 3.07.760.C:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*  
(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	Not addressed in the report. No mention of these tools being employed specifically in Wilsonville’s two urban renewal districts.
Inclusionary housing in urban renewal districts	Not addressed in the report. No mention of these tools being employed specifically in Wilsonville’s two urban renewal districts.
Fee waivers or funding incentives	Discussed but no action taken.

Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	Discussed but no action taken. The City will consider using CDBG funds and Strategic Investment Program tax abatement funds or general funds to develop affordable housing for people "at or below 60% of area median income.
Joint coordination or action	Discussed but no action taken. The City will consider joint coordination strategies.

**E. Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

- i) Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*
- ii) Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*
- iii) Pending amendments to the comprehensive plan and implementing ordinances.*
- iv) Public response to code changes.*

The City did not address these requirements.

**F. Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

The combined 2002 & 2003 report was reviewed and approved by the City Council.

**G. Other information provided.**

The City's 2002/2003 report stated that the City has applied for grant funding from the Oregon Department of Land Conservation and Development to complete Goal 10 housing needs assessment and residential buildable lands analysis. The report stated that according to City data, there are currently at least 310 units of affordable housing in Wilsonville. The City also lists its intention to consider a land-banking strategy for affordable housing.

**Outstanding Items:**

1. Required consideration of the amendment of comprehensive plan and implementing ordinance amendments to include density bonus, replacement housing, inclusionary housing, transfer of development rights, parking, and local permitting and approval process that includes reviewing development and design standards for impact on housing and

considering use of cost/benefit analysis to determine the impact of new regulation on housing production. (Metro Code 3.07.730.B)

2. Encouraged consideration of the amendment of comprehensive plan and implementing ordinance amendments to include the implementation of replacement housing and inclusionary housing in urban renewal areas, fee waivers or funding incentives, promotion of affordable housing for incomes 50% to 120% of the regional median household income, and joint coordination or action as outlined in Metro Code Section 3.07.760.
3. Specific third-year reporting requirements (Metro Code 3.07.740.C).

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### WOOD VILLAGE

Metro received a letter from the City on May 28, 2004 requesting an exemption from the Title 7 reporting requirements. The City's first year (2002) report was received in March 2002, and the second year (2003) report was received in January 2003.

- A. **Metro Code 3.07.720:** Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.

The report states that Wood Village has considered adopting the voluntary affordable housing goal but has taken no formal action.

- B. **Metro Code 3.07.730.A:** Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.  
(See Metro Functional Plan Title 7 for more details on these three policies)

The report includes excerpts from the City's comprehensive plan that address maintaining housing diversity. However, there is no mention of comprehensive plan language that outlines the City's approach to maintaining the existing housing supply, increasing dispersion of housing, or providing a housing supply for all income levels.

- C. **Metro Code 3.07.730.B:** Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	Declined to adopt because of lack of staff and expertise for administration and monitoring of this strategy.
Replacement housing	Discussed but no action taken
Inclusionary housing	Declined to adopt due to small tax base and general fund budget, hence implementation of this strategy will create undue hardship.
Transfer development rights	Declined to adopt because City boundaries are set and existing land is already developed and zoned.

Elderly and people with disabilities	Unclear what action has been taken
Local regulatory constraints	Unclear what action has been taken
Parking	Unclear what action has been taken

D. **Metro Code 3.07.760.B:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*

(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	Discussed replacement housing as a land use strategy (see previous section), no mention of its use in urban renewal districts
Inclusionary housing in urban renewal districts	Declined inclusionary housing as a land use tool (per reasons in the previous section regarding replacement housing). No mention of its use in urban renewal districts
Fee waivers or funding incentives	Unclear. Mentioned in the City's discussion of inclusionary housing as a difficult tool for the City to implement.
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	No mention of this tool.
Joint coordination or action	No mention of this tool.

E. **Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

- i) *Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*
- ii) *Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*
- iii) *Pending amendments to the comprehensive plan and implementing ordinances.*
- iv) *Public response to code changes.*

The City did not address these requirements.

F. **Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

The 2003 report contains a copy of Resolution 2-2003, which acknowledges the adoption of the affordable housing report by the Wood Village City Council.

G. *Local initiatives not required or encouraged by Title 7.*

The report has several local tools that contribute to housing affordability. These include exploring the possibility of a public-private partnership with Mt. Hood Habitat for Humanity to develop more affordable housing in the City.

H. *Other information provided.*

The report states that Wood Village already carries an “excessive burden of affordable housing” and that 48% of the City’s housing stock is composed of manufactured homes, apartments or duplexes. The cover letter attached to the City’s report indicated that the City has modified existing zoning codes and adopted design standards for the Neighborhood Commercial (NC) zone. The City states that the mix of uses that this zone promotes will encourage affordable housing and a diverse range of housing types.

#### Outstanding Items (Pending Metro action on the Request for Exemption)

1. Consideration of the adoption of the voluntary affordable housing production goal. (Metro Code 3.07.720)
2. Ensuring that the City’s comprehensive plan and implementing ordinances include measures to maintain the existing supply of affordable housing, increase dispersion of housing, and provide a supply of housing for all income levels. (Metro Code 3.07.730.A)
3. Consideration of the amendment to comprehensive plan and implementing ordinances to include replacement housing, and to address the removal of regulatory constraints acting as impediments to affordable housing. Also, further information is needed to explain how the City’s current policies provide housing for the elderly and for people with disabilities and whether the City’s innovations in parking requirements are increasing opportunities for affordable housing. (Metro Code 3.07.730.B )
4. Encouraged consideration of the amendment to comprehensive plan and implementing ordinances to include the five other affordable housing strategies outlined in Metro Code Section 3.07.760.
5. Specific third-year reporting requirements (Metro Code 3.07.740.C). (For details on the specific third-year reporting requirements, please refer to the letter that the Metro Chief Operating Officer sent to local jurisdictions in May 2004).

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### CLACKAMAS COUNTY

The third year (2004) report was not received by Metro. The County's first year report (2002) was received by Metro in March 2002, and the second year (2003) report was not received.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The County reported that it will consider adoption of the voluntary affordable housing goal in 2003.

- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The County currently implements most elements of the three strategies. The report stated that the housing chapter of its comprehensive plan contains policies that encourage a diverse range of housing, including a diverse range of housing prices and rent ranges, measures to maintain existing supply of affordable housing through the preservation of housing as an important element of neighborhood quality, and the provision of housing for all income groups of the County's population. The report did not outline the efforts the County has made to address the dispersal of affordable housing.

- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

The county has adopted four of the strategies (density bonus, replacement housing, elderly and people with disabilities, parking) in its comprehensive plan. The county action on other tools is as follows:

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	In use prior to January 2001 (Title 7)
Replacement housing	In use prior to January 2001 (Title 7)
Inclusionary housing	Not addressed in the report
Transfer development rights	Unclear explanation of County action. Although the County zoning and development ordinances contain provisions for transfer development rights, the report did not state how the provisions apply to affordable housing.

Elderly and people with disabilities	In use prior to January 2001 (Title 7)
Local regulatory constraints	Unclear. Measures are in place addressing two components of the strategy (revise permitting approval process; regularly review existing codes). The impact of having a hearing officer on a number of land use appeals is unclear. The other four components of the strategy are not currently implemented.
Parking	In use prior to January 2001 (Title 7)

**D. Metro Code 3.07.760.B:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*

(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	In use prior to January 2001 (Title 7)
Inclusionary housing in urban renewal districts	Not addressed in the report
Fee waivers or funding incentives	Unclear explanation of County action
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	In use prior to January 2001 (Title 7)
Joint coordination or action	In use prior to January 2001 (Title 7)

**E. Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city of county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

- i) Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*
- ii) Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*
- iii) Pending amendments to the comprehensive plan and implementing ordinances.*
- iv) Public response to code changes.*

The City did not address these requirements.



- F. **Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

The 2002 report was sent to Metro with a cover letter signed by a staff, and there was no indication that the report was reviewed and approved by the County Commission.

- G. *Local initiatives not required or encouraged by Title 7.*

Other tools and strategies currently in use or being considered by the County are: 1) Clackamas County Community Land Trust; 2) home buyer assistance programs; 3) County Home Repair Loan Program; and 4) cooperation with Metro's data collection process.

Outstanding Items:

1. Clarification if the elected body had reviewed and approved the annual compliance report prior to submitting it to Metro. (Metro Code 3.07.730)
2. Consideration of adoption of the voluntary affordable housing production goals. (Metro Code 3.07.720)
3. Ensuring that the comprehensive plan and implementing ordinances include measures to increase the dispersion of affordable housing. (Metro Code 3.07.730.A)
4. Consideration of the amendment of comprehensive plan and implementing ordinances to include three strategies in *Metro Code 3.07.730.B*: inclusionary housing, transfer development rights, and local regulatory constraints.
5. Encouraged consideration of the amendment of comprehensive plan and implementing ordinances with two other affordable housing strategies in Metro Code 3.07.760: inclusionary housing in urban renewal districts, and fee waivers and funding incentives.
6. Specific third-year reporting requirements (Metro Code 3.07.740.C). (For details on the specific third-year reporting requirements, please refer to the letter that the Metro Chief Operating Officer sent to local jurisdictions in May 2004).

**SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT  
FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)**

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**MULTNOMAH COUNTY**

Metro received a report from the County in June 2004. Metro received a report in April 2003 that was intended to serve as the County's first (2002) and second (2003) year reports.

The reports stated that the County has transferred urban land use planning responsibilities to the cities of Portland and Troutdale for those unincorporated urban areas within its jurisdiction. Hence, the report states that compliance with the requirements for the unincorporated County areas is the same as those addressed in the reports submitted by the cities of Portland and Troutdale.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The Multnomah County report states that the County fully supports and promotes the affordable housing production goals, however, based on the agreement that exists between the County and the Cities of Portland and Troutdale, it is expected that these two cities will assume responsibility for considering the adoption of Multnomah County's affordable housing production goal of 134 units.

The City of Portland 2004 report addressed the Title 7 requirements for the unincorporated areas of Multnomah County within the Portland Urban Service Boundary (USB).

The following table shows the voluntary affordable housing goals adopted by the City of Portland on behalf of the Multnomah County.

Affordable Housing Production Goals: City of Portland, Troutdale, and Urban Unincorporated Multnomah County Title 7			
<i>Jurisdiction</i>	<i>New housing units needed for households earning less than 30% of median household income</i>	<i>New housing units needed for households earning less than 30-50% of median household income</i>	<i>Total</i>
City of Portland	1,791	0	17,91
Multnomah County Unincorporated Urban Portion	81	53	134

- B. *Compliance with the following sections:*

**Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of*

*affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*

(See Metro Functional Plan Title 7 for more details on these three policies)

The three policies were addressed in the City of Portland report/section.

**Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*

(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

The seven strategies were addressed in the City of Portland report/section.

**Metro Code 3.07.760.B:** *Local jurisdictions are encouraged to consider implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.*

(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

The five strategies were addressed in the City of Portland report/section.

Due to the transfer of planning responsibilities for the urban unincorporated portions of Multnomah County to Portland and Troutdale, the County has adopted the comprehensive plans, zoning map designations, and zoning codes of these two jurisdictions. Therefore, it is Portland and Troutdale that have assumed the responsibility for considering the range of Title 7 affordable housing tools to be employed in the unincorporated portions of Multnomah County.

Please reference the Portland and Troutdale 2002 and 2003 analysis in this report for a detailed analysis of these jurisdiction's progress in considering and adopting these tools.

- C. **Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

The outcome of the amendments of comprehensive plan and implementing ordinances and public response were addressed in the City of Portland report/section.

- D. **Metro Code 3.07.730:** *Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

The County Chair of Board of Commissioners and a County Commissioner signed the County's reports.

*E. Local initiatives not required or encouraged by Title 7.*

Other tools and strategies currently in use or being considered by the County are: 1) Donating tax foreclosed property to nonprofits affordable housing production organizations; 2) Strategic investment program community housing fund; 3) New housing opportunities for the community corrections population; 4) Library mixed use housing; 5) Emergency rental assistance to homeless disabled singles and families, and those at risk of eviction; 6) Leveraging federal HOME and CBDG funds for affordable housing; and 7) Federal weatherization program for low-income households.

Outstanding Items

The County has addressed all the requirements of Title 7.

## SUMMARY OF 2004 COMPLIANCE OF METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TITLE 7 (AFFORDABLE HOUSING)

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### WASHINGTON COUNTY

Metro received the County's third year (2004) report on December 27, 2004. The report was not received in time to be included in the draft compliance report that was distributed to the Metro Council in December 2004. However, the evaluation of the County's latest report has been incorporated in this report, and the Metro Council will be informed accordingly during staff presentation of the 2004 Annual Compliance Report in early 2005.

Metro received the County's first year (2002) report in April 2002, and the second year (2003) report in January 2003.

- A. **Metro Code 3.07.720:** *Each city or county should adopt the Voluntary Affordable Housing Production Goals as a guide to measure progress towards meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.*

The County's 2003 report stated that on April 2, 2002, the Washington County Board authorized the Planning and Land Development Work Program for the 2002 season and made amendments related to affordable housing. The County amended Policy 21, Housing Affordability (A-Engrossed Ordinance No. 590) to include a new strategy: "Encourage the housing industry and both public and private housing agencies to build a sufficient number of new affordable housing units within unincorporated Washington County to meet Metro's voluntary affordable housing production goal."

- B. **Metro Code 3.07.730.A:** *Cities and counties shall ensure that their comprehensive plan and implementing ordinances address: 1) diversity; 2) maintaining the existing supply of affordable housing and increasing new dispersed affordable housing; and 3) increasing affordable housing opportunities for household of all income levels.*  
(See Metro Functional Plan Title 7 for more details on these three policies)

The County's first and second year reports highlighted policies from the County's comprehensive plan that encourage a diverse range of housing and encourage affordable housing opportunities for households of all income levels. The 2004 report explained that the County has adopted a new implementation strategy (strategy "g" under Policy 23) to specifically address maintaining the existing supply and increasing the dispersal of affordable housing. (This policy expands on existing policies that address market-rate housing.)

- C. **Metro Code 3.07.730.B:** *Cities and counties shall consider amendment of their comprehensive plan and implementing ordinances with the following affordable housing land use tools and strategies: 1) density bonus; 2) replacement housing; 3) inclusionary housing; 4) transfer of development rights; 5) elderly and people with disabilities; 6) local regulatory constraints – discrepancies in planning and zoning codes, and local permitting or approval process; and 7) parking.*  
(See Metro Functional Plan Title 7 for more details on these seven tools and strategies)

<i>Land use strategy (Metro Code)</i>	<i>Jurisdiction Action</i>
Density bonus	Declined (2004). Although the 2002 report states that County staff recommended this strategy for further consideration “in the county’s multi-family districts”, the 2003 report states, “The Board was not in support of staff’s recommendation primarily due to some reservations about allowing even greater densities in these already high-density districts.”
Replacement housing	Declined (2004). The report states, “the county does not have an inventory of affordable housing units and creating and maintaining an inventory would be a staff intensive task.” Also, “requiring applicants... to provide or contribute to a fund to provide affordable housing... to develop property with a use that is permitted under the property’s current plan designation would be a sizeable burden.” Additionally, the County states that this strategy “may even discourage individuals to undertake urban infill development projects..”
Inclusionary housing	Declined (2004). Despite adopting an implementing strategy in their Comprehensive Plan in 2002 that calls for the periodic assessment the feasibility of establishing this strategy, the 2004 report states that the County’s current development standards, including minimum densities, are creating opportunities for smaller detached and attached housing units, including small row-housing with single car garages. The report states that the County is lacking a large supply of inexpensive land capable of supporting large-scale developments the county believes this tool would be most effective.
Transfer development rights	Declined (2004). Despite adopting an implementing strategy in their Comprehensive Plan in 2002 that calls for the periodic assessment the feasibility of establishing this strategy, the County states “staff did not foresee a demand to build above the generous development standards that apply in the areas the county had designated for higher density development.”
Elderly and people with disabilities	In use prior to January 2001
Local regulatory constraints	In use prior to January 2001 (Title 7) – partial (2002)
Parking	In use prior to January 2001

D. **Metro Code 3.07.760.B:** Local jurisdictions are *encouraged to consider* implementation of the following affordable housing tools and strategies: 1) replacement housing resulting from

urban renewal; 2) inclusionary housing in urban renewal districts; 3) fee waivers or funding incentives; 4) promotion of affordable housing for incomes 50% to 120% of the regional median household income (RMHI); and 5) joint coordination or action to meet the affordable housing production goals.

(See Metro Functional Plan Title 7 for more details on these five tools and strategies)

<i>Other affordable housing strategies (Metro Code)</i>	<i>Jurisdiction Action</i>
Replacement housing resulting from urban renewal	Declined (2004). The County's report states, "cities are the more appropriate providers of urban services. Consequently, urban renewal districts would more appropriately be located within cities and not within urban unincorporated Washington County."
Inclusionary housing in urban renewal districts	Declined (2004). See the above explanation.
Fee waivers or funding incentives	Declined (2004) The County states, "the County does not directly administer SDCs. ... the individual district would need to decide ... to waive or defer payment." Also, "the county's fee structure requires that developers pay the full cost of development review... a fee waiver would likely impact the ability of the county to maintain an efficient and effective development review process."
Efforts promoting affordable housing for other income groups (50% to 120% of the regional median household income)	In use prior to January 2001
Joint coordination or action	In use prior to January 2001

**E. Metro Code 3.07.730.C:** *By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community's affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.*

*i) Affordable housing projects that were initiated or completed as a result of the implementation of the tools and strategies described in the previous sections, including the number of units produced and income level/s served.*

The County's 2004 report states, " A total of ten affordable housing projects were started or completed between July 2002 and May 2004. Upon completion of all ten projects, a total of 455 affordable housing units will be available for qualifying households. The three newest affordable housing projects that DHS (Department of Housing Services) is currently involved in are Gateway Commons in Hillsboro (138 units), New Dawn in Beaverton (15 units) and Linsley Lane also in Hillsboro (19 units)." "The 455 affordable housing units will provide

much-needed affordable housing in the county and go a long ways towards meeting the housing needs of households with incomes between 0% and 50% of the median income throughout Washington County. Of the ten projects only Tri-Haven is located in unincorporated Washington County. Therefore, only the affordable housing units provided at Tri-Haven can be credited against the 940 housing units targeted for households earning 30%-50% of median household income. The income range served by the 455 affordable housing units is 30%-60% of the median income.”

**Washington County Affordable Housing Projects Completed or Started Between July 2002 and May 2004**

Project	Location	# of units	Year of Completion	County Role
Bonita Villa Apartments	Tigard	96	2002	DHS Acquired, rehabilitate, own, operate
Jose Arciaga Apartments	Scattered site in Forest Grove and Cornelius	50	2002	HOME loan
Alpine Street	Cornelius	2	2002	CDBG Grant
Gateway Commons	Hillsboro	138	2004	Co-General Partner
Tri-Haven	Aloha	15	2003	HOME loan; Administer Shelter Plus Care rental assistance
Maples II	Hillsboro	21	2002	HOME loan
New Dawn	Beaverton	15	2004	HOME loan; Supportive Housing Program funds
Village at Washington Square	Tigard	26	2002	HOME loan; CDBG grant
Villi Capri	Hillsboro	63	2003	HOME loan; CDBG grant
Lindsey Lane	Hillsboro	19	2005	HOME loan; CDBG grant
<b>TOTALS</b>		<b>455</b>		

*ii) Partnerships that were created between the city and affordable housing developers (non-profit developers and private sector developers)*

The County’s 2004 report states, “The County has and continues to form partnerships with local builders and developers to facilitate the production of affordable housing. Joining forces has proven effective at providing affordable housing by maximizing available resources.”

*iii) Pending amendments to the comprehensive plan and implementing ordinances.*

The County’s report states that no changes to the comprehensive plan are pending but that the County “will periodically assess the feasibility of establishing voluntary affordable housing and a transfer of development rights programs to further improve the opportunities for affordable housing within Washington County.”

*iv) Public response to code changes.*



*The County states that public testimony was not provided at either the adoption of Ordinance 590 (contained strategy to encourage the housing industry and public and private agencies to build sufficient housing to meet the affordable housing production goals) on June of 2002, or at the adoption of Ordinance 631 (where the comprehensive plan was amended to include specific language regarding dispersal of affordable housing) in October 2004.*

- F. **Metro Code 3.07.730:** Compliance with amendment of comprehensive plan and implementing ordinances with affordable housing land use tools and strategies is achieved when the governing body of a city or county considers each tool or strategy.*

The Board of County Commissioners considered and adopted the County's 2004 Title 7 report on December 12, 2004.

- G. Local initiatives not required or encouraged by Title 7.*

The County's 2003 report stated that the County had recently completed a community visioning process known as Vision West. A result of this process is an issue paper addressing affordable housing in unincorporated Washington County. This issue paper contains strategies and recommendations, including a recommendation that an affordable housing trust fund be established to support the production of affordable housing.

Outstanding Items:

The County has met all Title 7 requirements.

...gm\long range planning\projects\housing\Title 7 implementation\Jordan ltr to LGs on 2002 & 2003 Annual Compliance Reports –Attachments.doc

## Summary Table of 2004 Title 7 Annual Compliance: Goals and Strategies

Title 7: Affordable Housing												
Jurisdiction	Progress Reports Completed  (3.07.740)	Voluntary Goals Adopted  (3.07.720)	Ensure including strategies for the following in the Comprehensive Plan and Implementing Ordinances (Title 7:3.07.730.A)			Consider including in the Comprehensive Plan and Implementing Ordinances Land Use Strategies (Seven) -- (Title 7: 3.07.730.B)						
			Diversity Strategy  (3.07.730.A.1)	Maintain Supply and Increase Dispersion (3.07.730.A.2)	Supply for All Income Levels  3.07.730.A.3	Density Bonus  (3.07.730.B.1)	Replacement Housing  (3.07.730.B.2)	Inclusionary Housing  (3.07.730.B.3)	Transfer Development Rights  (3.07.730.B.4)	Elderly & Disabled People  (3.07.730.B.5)	Local Regulatory Constraints  (3.07.730.B.6)	Parking  (3.07.730.B.7)
Beaverton	(02, 03, 04)	New (02)	Existing	Existing	Existing	Adopted (04)	Adopted (04)	Adopted (04)	Declined (02)	Existing	New (04)	Adopted (04)
Cornelius												
Durham	(02, 03, 04)	Declined (04)	Existing	Existing	Existing	Declined (04)	Existing	Declined (04)	Declined (04)	Existing	Declined (04)	Declined (04)
Fairview	(02, 03, 04)	Declined (03)	Existing	Existing	Existing	Existing	Declined (04)	Declined (03)	Declined (03)	Existing	Declined (04)	Declined (04)
Forest Grove	(02)	Declined (02)	Existing	Existing	Existing	Discussed (02)	Declined (02)	Discussed (02)	Declined (02)	Existing	Discussed (02)	NM
Gladstone	(02, 03, 04)	Discussed (04)	Existing	NM	Existing	Discussed (04)	Discussed (04)	Discussed (04)	Discussed (04)	Existing	Discussed (04)	Discussed (04)
Gresham	(02, 03)	Declined (02/03)	Existing	Existing	Existing	Declined (02)	Declined (02)	Existing	Declined (03)	New	Existing (p)	Existing
Happy Valley	(02)	Discussed (02)	Existing	NM	Existing	Declined (02)	Discussed (02)	Declined (02)	Discussed (02)	Unclear	Discussed (02)	Unclear
Hillsboro	(02)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Johnson City												
King City	(03, 04)	Declined (03)	Existing	Discussed	Existing	Declined (03)	Declined (03)	Declined (03)	Declined (03)	Existing	Existing	Declined (04)
Lake Oswego	(03, 04)	Declined (04)	Existing	NM	Existing	Discussed (04)	Discussed (04)	Declined (04)	Discussed (04)	Existing	Discussed (04)	Discussed (04)
Maywood Park	(02, 03, 04)	N/A	NM	NM	NM	Declined	Declined	Declined	Declined	Declined	Declined	Unclear
Milwaukie	(02)	Discussed (04)	Existing	Existing	Existing	Existing	NM	NM	Unclear (04)	Unclear (04)	Declined (04)	Existing
Oregon City	(02, 03)	Discussed (04)	New (04)	New (04)	New (04)	Discussed (04)	Unclear (04)	Existing (p)	Declined (04)	Existing	Unclear	New (04)
Portland	(02, 03, 04)	New (03)	Existing	Existing	Existing	Existing	Existing	Existing	Existing	Existing	Existing	Existing
Rivergrove												
Sherwood												
Tigard	(02, 03, 04)	Discussed (02/03)	Existing	NM	Existing	Discussed (02/03)	Declined (02/03)	Declined (02/03)	Discussed (02/03)	Existing	Existing (p)	Existing
Troutdale	(02, 03)	Declined (03)	Existing	Existing	Existing	Declined (02/03)	Declined (02/03)	Declined (02/03)	Declined (02/03)	Existing	Existing (p)	Existing
Tualatin	(02)	NM	NM	NM	NM	NM	NM	NM	Unclear	Existing	Existing (p)	Unclear
West Linn	(02, 03, 04)	Declined (04)	Discussed	Discussed	Existing	Existing	Discussed (04)	Declined (02)	NM	NM	NM	Existing
Wilsonville	(02, 03)	Discussed (04)	Existing	Existing	Existing	Unclear (04)	Existing (p)	Unclear (04)	Unclear (04)	Existing	Unclear (04)	Unclear (04)
Wood Village	(02, 03)	Discussed (03)	Existing	NM	NM	Declined (03)	Discussed (03)	Declined (03)	Declined (03)	NM	NM	NM
Clackamas County	(02)	Discussed (02)	Existing	Existing	Existing	Existing	Existing	NM	Unclear	Existing	Unclear	Existing
Multnomah County	(02, 03, 04)	New (03)	Existing	Existing	Existing	Existing	Existing	Existing	Existing	Existing	Existing	Existing
Washington County	(02, 03, 04)	Discussed (02/03)	Existing	New (04)	Existing	Declined (04)	Declined (04)	Declined (04)	Declined (04)	Existing	Existing (p)	Discussed (02)

**Definitions:**

*N/A* = Not applicable. The 1998 Regional Affordable Housing Strategy apportioned zero affordable housing production goals to this jurisdiction.  
*NM* = Not mentioned in compliance report or mentioned without an explanation of any action being taken  
*Existing* = Adopted prior to January 2001.  
*Unclear* = Policy/tools are noted with insufficient details to evaluate  
*Discussed (year)* = Addressed at a local elected officials meeting with the jurisdiction taking no action.  
*(P)* = Partial implementation of the strategy.  
*Declined (year)* = Addressed at a local elected officials meeting with the jurisdiction declining to adopt the affordable housing tool or strategy.  
*New (year)* = Adopted  
*Adopted (year)* – Adopted for future consideration

**Summary Table of 2004 Title 7 Annual Compliance: Strategies -- (Continued)**

Consider implementation of the following tools and strategies -- (Title 7: 3.07.760)						
	Replacement housing in urban renewal areas (3.07.760.A.1)	Inclusionary housing in urban renewal areas (3.07.760.A.2)	Fee waivers or funding incentives (3.07.760.B)	Efforts targeted at households 50% to 80% and 80%-120% of RMHI <sup>1</sup> (3.07.760.C)	Joint coordination (3.07.760.D)	Local Initiative
Beaverton	Declined (04)	Declined (04)	New (04)	Existing	Existing	(02, 03, 04) Housing rehabilitation program, assistance to community housing organizations, land banking, etc.
Cornelius						
Durham	Declined (02)	Declined (02)	Declined (02)	Declined (02)	Declined (02)	
Fairview	Declined (04)	Declined (04)	Declined (04)	Declined (04)	Discussed (04)	Participate in Housing Opportunities Plan (HOP), Permit man. homes on individual lots in designated res. zones
Forest Grove				Existing	Existing	(02) Affordable housing friendly zoning, leveraging CDBG funds.
Gladstone	Discussed (04)	Discussed (04)	Discussed (04)	NM	Existing	
Gresham	NM	NM	NM	Existing	Existing	* New infill development standards, West Gresham Housing Mix Plan,
Happy Valley						
Hillsboro	NM	NM	NM	NM	Existing	
Johnson City						
King City	Declined (04)	Declined (04)	Declined (04)	Declined (04)	Declined (04)	
Lake Oswego	NM	Declined (04)	Discussed (04)	Discussed (04)	Discussed (04)	
Maywood Park	Declined	Declined	NM	NM	NM	
Milwaukie	NM	NM	NM	NM	NM	
Oregon City	Discussed (04)	Discussed (04)	Existing	NM	NM	Transit-oriented projects with parking reductions, ADUs.
Portland	Existing	Existing	Existing	Existing	Existing	Housing preservation program, homebuyer opportunity areas, Portland Community Land Trust, etc.
Rivergrove						
Sherwood						
Tigard	NM	NM	Existing	Existing	Existing	* Initiatives included in 2002 matrix
Troutdale	Declined (02)	Declined (02)	Declined (02)	Existing	NM	* City-approved urban renewal district inc. \$300K of low-interest rehab. loans (voters rejected), 112-unit RV park allowed to accommodate long-term affordable housing
Tualatin	NM	NM	NM	Existing	NM	
West Linn	NM	NM	NM	Existing	NM	* Initiatives included in 2002 matrix
Wilsonville	NM	NM	Discussed (04)	Unclear (04)	Discussed (04)	
Wood Village	NM	NM	Unclear (03)	NM	NM	* The city allows manufactured homes in all residential zones, began discussions with Habitat for Humanity
Clackamas County	Existing	NM	Unclear	Existing	Existing	
Multnomah County	Existing	Existing	Existing	Existing	Existing	See City of Portland initiatives.
Washington County	Declined (04)	Declined (04)	Declined (04)	Existing	Existing	* Vision West Program developed key recommendations on affordable housing

Definitions:

\* See the 2002 report for additional local initiatives  
 NM = Not mentioned in compliance report or mentioned without an explanation of any action being taken  
 Existing = Adopted prior to January 2001.

<sup>1</sup> Regional median household income

*Unclear (year)*= Policy/tools are noted with insufficient details to evaluate  
*Discussed (year)*= Addressed at a local elected officials meeting with the jurisdiction taking no action.  
*(P)* = Partial implementation of the strategy.  
*Declined (year)*= Addressed at a local elected officials meeting with the jurisdiction declining to adopt the affordable housing tool or strategy.  
*New (year)*= Adopted  
*Adopted (year)* – *Adopted for future consideration*

## STAFF REPORT

### IN CONSIDERATION OF RESOLUTION NO. 05-3600 FOR THE PURPOSE OF ENTERING AN ORDER RELATING TO COMPLIANCE WITH THE URBAN GROWTH MANGEMENT FUNCTIONAL PLAN

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Date: September 13, 2005

Prepared by: Sherry Oeser

## BACKGROUND

Metro Code 3.07.880 requires that the Chief Operating Officer submit a report to the Metro Council annually on the status of compliance by cities and counties with the Urban Growth Management Functional Plan. The report must include an accounting of compliance with each requirement of the functional plan by each city and county in Metro. The Council is required to hold a public hearing on the compliance report. Following the hearing, the Council is required to enter an order that determines the status of each city's and county's compliance with the requirements of the functional plan.

Attached to Resolution 05-3600 is Exhibit A, Order No. 05-002. The report itself, entitled "Urban Growth Management Functional Plan Annual Compliance Report", dated December 23, 2004 and revised August 31, 2005, is attached to the order. The revised version reflects the change in deadlines for compliance with Title 4 as a result of the Land Conservation and Development Commission's acknowledgement in July 2005 of the changes to Title 4 (Industrial and Other Employment Areas) made by the Council last year.

## ANALYSIS/INFORMATION

1. **Known Opposition:** None known
2. **Legal Antecedents:** Metro Code Chapter 3.07.880
3. **Anticipated Effects:** By adopting Resolution 05-3600 and Order 05-002, the Council is accepting the 2004 Urban Growth Management Functional Plan Annual Report and determining which Functional Plan requirements each city and county are in compliance with for the year 2004. If there is no successful appeal to the Land Use Board of Appeals, the Council's decision is final.
4. **Budget Impacts:** None

## RECOMMENDED ACTION

Adoption of Resolution 05-3600

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENTERING AN ) Resolution No. 05-3620  
ORDER RELATING TO AN APPLICATION BY )  
CLACKAMAS COUNTY FOR AN EXCEPTION ) Introduced by Michael Jordan, Chief  
FROM TITLE 3 OF THE URBAN GROWTH ) Operating Officer, in concurrence with  
MANAGEMENT FUNCTIONAL PLAN ) David Bragdon, Council President

WHEREAS, Clackamas County has filed an application for an exception from certain requirements in Title 3 (Water Quality, Flood Management and Fish and Wildlife Conservation) of the Urban Growth Management Functional Plan, pursuant to the process set forth in section 3.07.860 of Title 8 (Compliance Procedures); and

WHEREAS, the Metro Council President set the matter for public hearing before the Council and sent notification of the application to the Metropolitan Policy Advisory Committee, the Department of Land Conservation and Development (“DLCD”) and persons who requested notification of such applications; and

WHEREAS, the Council held a hearing on the application on September 29, 2005, and heard testimony from Clackamas County, the Metro Planning Department and interested persons; and

WHEREAS, Title 8 requires the Council to issue an order with its decision on the application for an exception, with its conclusions and analysis, and to send the order to the county, MPAC, DLCD, and any participant at the hearing who requested a copy of the order; now, therefore,

BE IT RESOLVED:

- 1. That the Council adopt Order No. 05-001, with its attachments, as the Council’s decision on Clackamas County’s application for an exception from certain requirements in Title 3.
- 2. That the Council direct the Chief Operating Officer to distribute the order to the persons specified in section 3.07.860 of Title 8.

ADOPTED by the Metro Council this 29<sup>th</sup> day of September, 2005

\_\_\_\_\_  
David Bragdon, Council President

Approved as to form:

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney

**Exhibit "A" to  
Resolution No. 05-3620**

**ORDER NO. 05-001**

**DECISION ON CLACKAMAS COUNTY'S APPLICATION FOR  
AN EXCEPTION FROM TITLE 3 OF THE URBAN GROWTH  
MANAGEMENT FUNCTIONAL PLAN**

**APPLICABLE LAW**

On August 6, 2004, Clackamas County filed an application for an exception from water quality resource area performance standards in Title 3 (Water Quality, Flood Management and Fish and Wildlife Conservation) of the Urban Growth Management Functional Plan (UGMFP), pursuant to the process set forth in section 3.07.860 of Title 8 (Compliance Procedures), for certain territory in the county. Title 8 sets forth the criteria that apply to such an application. Section 3.07.860B(1) of that title says the Council may grant an exception if it finds that:

1. It is not possible to achieve the requirement due to topographic or other physical constraints or an existing development pattern;
2. This exception and likely similar exceptions will not render the objective of the requirement unachievable region-wide;
3. The exception will not reduce the ability of another city or county to comply with the requirement; and
4. The city or county has adopted other measures more appropriate for the city or county to achieve the intended result of the requirement.

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

As required by Title 8 of the UGMFP, Metro sent notification of the application to the Metropolitan Policy Advisory Committee, the Department of Land Conservation and Development ("DLCD") and persons who requested notification of such applications. Metro set the matter for hearing on the matter before the Council and held the hearing on September 29, 2005.

At the hearing the Council heard testimony from Clackamas County, the Metro Planning Department and \_\_\_\_\_. The Council received written materials from the county and the planning department. This testimony and these materials comprise the record in this matter.

Criterion 1: It is not possible to achieve the requirement due to topographic or other physical constraints or an existing development pattern

(insert findings)

Conclusion:

Criterion 2: This exception and likely similar exceptions will not render the objective of the requirement not achievable region-wide

(insert findings)

Conclusion:

Criterion 3: The exception will not reduce the ability of another city or county to comply with the requirement

(insert findings)

Conclusion:

Criterion 4: The city or county has adopted other measures more appropriate for the city or county to achieve the intended result of the requirement

(insert findings)

Conclusion:

**IT IS HEREBY ORDERED THAT:**

1. The application by Clackamas County for an exception from Title 3 is approved/denied.
2. (Conditions on approval, if any.)

ENTERED this \_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
David Bragdon, Council President

Approved as to form:

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney



## STAFF REPORT

In Consideration of Resolution 05-3620 for the Purpose of Entering an Order Relating to an Application by Clackamas County for an Exception from Title 3 Water Quality Resource Area Performance Standards of the Urban Growth Management Functional Plan

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Date: September 14, 2005

Prepared by Paul Ketcham

### BACKGROUND

Metro received a July 22, 2004 application from Clackamas County for an exception from Title 3 Water Quality Resource Area Performance Standards of the Urban Growth Management Functional Plan.<sup>1</sup> The exception, pursuant to Metro Code 3.07.860, is for a portion of the Oaks Lodge Sanitary District portion of the county. The County's letter of transmittal states that the Title 3 exception is for two specific areas—Boardman wetland and Boardman Creek.<sup>2</sup> The district covers 3,579 acres and is located in unincorporated Clackamas County between the cities of Milwaukie and Gladstone. It borders the Willamette River on the west, and is bisected by McLoughlin Boulevard (Attachment 1: Map of Oak Lodge Sanitary District). For all other areas, the county is up-to-date with its compliance with Title 3.<sup>3</sup>

Metro's Title 3 Water Quality and Floodplain Protection Plan requires local jurisdictions to meet regional performance standards relating to water quality and floodplain management. The purpose of Title 3 is to protect the beneficial water uses and functions and values of resources within Water Quality and Flood Management Areas. In June 1998 Metro Council adopted Title 3 provisions as part of Metro's Code (Sections 3.07.310 to 370). Title 3 requires establishment of Water Quality Resource Areas that includes a vegetated corridor as well as the protected water feature such as streams and wetlands. The width of vegetated corridors is 50 feet from the top of bank along primary water features and may extend outward to 200 feet on adjacent steep slopes.<sup>4</sup> The width of vegetated corridors is 15 feet from top of bank along secondary water features and may extend outward to 50 feet on adjacent steep slopes (Metro Code Section 3.07.340(B)(2)(a)).<sup>5</sup>

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<sup>1</sup> July 22, 2004 letter from Doug McClain, Clackamas County Planning Director, to Andy Cotugno, Metro Planning Director, with attachments.

<sup>2</sup> Two other surface water resources lie within the District's boundary—Forest Creek and an unnamed tributary of Kellogg Creek that are presumed to be in compliance with relevant Title 3 provisions. This issue was clarified during an October 20, 2004 meeting between Doug McClain, Clackamas County Planning Director and Dick Benner, Metro Senior Attorney.

<sup>3</sup> February 5, 2004 Metro Urban Growth Management Functional Plan Annual Compliance Report

<sup>4</sup> Primary protected water features include all perennial streams and streams draining greater than 100 acres, Title 3 wetlands, natural lakes and springs.

<sup>5</sup> Secondary protected water features include intermittent streams draining 50-100 acres.

The following is a chronology of the more significant communications and actions between Metro and the county regarding Title 3 compliance.

- An April 5, 2001 letter from Ray Valone, Senior Regional Planner to Doug McClain, Planning Director for Clackamas County, indicates that the county meets standards of Title 3 within the UGB except for several water features within the Oaks Lodge Sanitary District. The letter describes that the conditions for substantial compliance are to adopt Title 3 standards or seek an exception to those requirements (Attachment 2).
- A November 29, 2002 letter from Greg Fritz, Clackamas County Senior Planner, to Ray Valone, Metro, reports on an October 28 Planning Commission public hearing regarding Zoning and Development Ordinance (ZDO) 191, the amendments proposed to bring the Boardman wetland and the Boardman Creek into compliance with Title 3. The Planning Commission decided to continue testimony on the Title 3 amendments and scheduled another hearing set for January 27, 2003. The County Board of Commissioners scheduled a hearing for March 19, 2003 (Attachment 3).
- A January 13, 2003 letter from Ray Valone, Metro, to Greg Fritts, Clackamas County, affirming its position articulated in its April 5, 2001 letter regarding substantial compliance with Title 3. The County is given the option to request an exception to Title 3 requirements according to Section 3.07.860 of the Metro Code (Attachment 4).
- A March 7, 2003 letter from Metro Council President David Bragdon to Clackamas County Commissioner Larry Sowa confirms that the county has not demonstrated substantial compliance with requirements of Title 3 and offers options to gain compliance: seek an exception to Title 3 (section 3.07.860 of the Metro Functional Plan) or seek review by Metropolitan Policy Advisory Committee and subsequent Metro Council hearing under Sections 3.07.830 and 3.07.840 of Title 8 of the Metro Functional Plan (Attachment 5).
- On March 19, 2003, the Board of County Commissioners voted against proposed amendments that would have brought the County into compliance with Title 3 for the Oaks Lodge Sanitary District.
- A May 7, 2003 letter from Andy Cotugno, Metro Planning Director, to Commissioner Sowa, requests an exception to Title 3 for the Boardman wetland and Boardman Creek (Attachment 6).
- A July 22, 2004 letter from Douglas McClain, Clackamas County Planning Director, to Andy Cotugno, Metro Planning Director, requests an exception to Title 3 following Section 3.07.860 of the Metro Code for two specific areas within the Oaks Lodge Sanitary District (Attachment 7).
- An August 24, 2004 memo from Andy Cotugno, Metro, to Metro Council and Metro Chief Operating Officer Michael Jordan outlines the process for considering an exception from Title 3 of the Urban Growth Management Functional Plan (Attachment 8).

Metro code section 3.07.860 lists the criteria that must be met before an exception to a Functional Plan requirement may be granted. The following section lists the criteria (in bold), summarizes the county's rationale for meeting them, states Metro staff's response to the county rationale, and presents staff's conclusion as to whether the respective exceptions criteria have been met or not.

**a) It is not possible to achieve the requirement due to topographic or other physical constraints or an existing development pattern;**

County's rationale for the exception under this criterion:

- The County cites "existing development pattern" around the Boardman wetland and along Boardman Creek as the reason it is not possible to meet Title 3 requirements for establishment of water quality resource areas along streams and wetlands.
- The County states that there is very little developable area adjacent to the wetland, and that most parcels adjacent to Boardman Creek are developed. The argument states that there is very little opportunity for development, and therefore, "no benefit from application of the Title 3 requirements to an area substantially developed."
- The County argues that Boardman wetland is protected under the standards of Section 709 of the Zoning and Development Ordinance (ZDO) providing a 25-foot buffer.
- The County recognizes that Boardman Creek is not covered by Section 709 of the ZDO (due to the county's determination that it is not a Goal 5 significant resource), but states that Section 1002.05 applies (Protection of Natural Features), requiring a vegetative buffer, but does not specify the specific protective measures applied.

Response to County's rationale:

Existing uses and conditions do not preclude implementation of Title 3. Properties may redevelop or change current status. Development status is not a criterion for establishment of water quality resource areas. Local governments within Metro's jurisdictional boundaries have established Title 3 water quality resource areas regardless of development status of lands. Region wide data shows that water quality resource areas have been established on lands developed with residential, commercial, and industrial uses (23%), park and open space lands (36%), and undeveloped, vacant lands (41%)<sup>6</sup>.

There are examples of lands within Metro's jurisdiction that are primarily developed to which the provisions of Title 3 apply (see Attachments 11-14). These maps show areas where Clackamas County and other jurisdictions have applied Title 3 Water

<sup>6</sup> Metro's Fish and Wildlife Habitat Protection Program Economic, Social, Environmental, and Energy Analysis (ESEE) Phase II Analysis of Program Options, April 2004 draft, Table 3-7, pages 42-43).

Quality Resource Areas to primarily developed areas. The Title 3 definition of “development” (Metro Code 3.07.340(D)(3)) applies to additions or modifications to existing uses within the water quality resource area, as well as to development and redevelopment of properties.

Within the Oaks Lodge Sanitary District, Clackamas County has applied Title 3 Water Quality Resource Areas to land that is primarily developed along Forest Creek and an unnamed tributary of Kellogg Creek (Attachments 11-12). Some parcels along these streams are vacant or underdeveloped.<sup>7</sup> These development patterns are similar to those found along Boardman Creek and wetland, the two water features subject to the County’s exception request.

Similarly, properties along Boardman Creek and Boardman wetland are primarily developed. There are, however, vacant or partially vacant properties along Boardman Creek and Boardman Wetland, the water features subject to the County’s exception request, that are not currently covered by Title 3 protections (see Attachments 9-10). A steep slope adjacent to the lower segment of the Boardman Creek is subject to a wider water quality resource area and is not covered by local code provisions.<sup>8</sup>

In addition, Boardman wetland is covered only by a 25-foot buffer and would receive a 50-foot buffer under Title 3. There are several undeveloped/underdeveloped lots on the north section of the Boardman wetland that could develop without Title 3 protections. There are 5 lots, zoned R-7 that may redevelop and/or subdivide. There are 8 lots zoned MR 1 with older single-family homes that may redevelop and/or subdivide. Remaining properties surrounding the wetland, though developed, could redevelop or be altered.<sup>9</sup>

The south section of Boardman wetland, although owned by the North Clackamas Park and Recreation District or included as common open space in a PUD, does not preclude implementation of Title 3. Properties may redevelop or change current status. Vegetation may be removed without protections of Title 3 requirements for maintenance, enhancement, or restoration of native vegetation.

**CONCLUSION:** Based on staff response, this criterion is not met.

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<sup>7</sup> April 5, 2001 letter with attachments from Raymond Valone, Metro Senior Regional Planner, to Douglas McClain, Clackamas County Planning Director. This letter indicates there are some vacant or underdeveloped lands located within Title 3 water quality resource areas along Forest Creek and an unnamed tributary to Kellogg Creek.

<sup>8</sup> Ibid, page 1.

<sup>9</sup> Ibid, page 2.

**b) This exception and likely similar exceptions will not render the objective of the requirement unachievable region-wide;**

County's rationale for the exception under this criterion:

- Granting the exception will have no effect on the ability to achieve objectives of Title 3 region-wide.
- The requested exception is limited, applying to a specific area with little development potential, where resources are protected but to a lesser degree than would be provided under Title 3.

Response to County's rationale:

The objective of Title 3 water quality standards is to protect the beneficial uses and functions and values of streams and wetlands and associated vegetated corridors. Wetlands and streams are part of an interlinked system, and it is important that they be treated consistently. Scientific studies show that the vegetated corridors required under Title 3 provide the minimum level of protection to water quality and beneficial uses of streams and wetlands; the county's 25 foot buffers fall short of these minimums.<sup>10</sup>

Granting the county's exception to Title 3 would allow inconsistent treatment of the region's streams and wetlands. Granting the exception would set a precedent for other exceptions for similar (mostly developed) areas around the region, resulting in cumulative adverse effects on the values and functions of the region's streams, wetlands, and other water bodies.

**CONCLUSION:** Based on staff response, this criterion is not met.

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<sup>10</sup> Metro, 1997. Metropolitan Service District (Metro) Title 3 Policy Analysis and Scientific Review Paper, Portland, OR. See also: Metro, 2002. Metro's Technical Report for Goal 5, Portland, OR; Metro, 2002. Local Plan Analysis: A Review of Goal 5 Protection in the Metro Region.

- c) **The exception will not reduce the ability of another city or county to comply with the requirement;**

County's rationale for the exception under this criterion:

- Granting the exception will have no effect on the ability of other jurisdictions to comply with Title 3 because the area is physically isolated from other jurisdictions.

Response to County's rationale:

Streams and wetlands are part of an interlinked system and directly contribute to watershed function and health. Boardman wetland is connected to Boardman Creek, which flows into the Willamette River, and thus these water features are not physically isolated from the larger watershed. Failure to adequately protect the stream and wetland system can adversely affect water quality and overall watershed health, and therefore detract from the effectiveness of other local government Title 3 efforts. However, this possibility does not mean other local governments cannot comply with Title 3. In fact, the cities of Portland and Milwaukie currently comply with Title 3. It is not apparent that this exception would reduce the ability of local governments in the lower Willamette watershed to comply with Title 3.

**CONCLUSION:** Based on staff response, this criterion is met.

**d) The city or county has adopted other measures more appropriate for the city or county to achieve the intended result of the requirement.**

County's rationale for the exception under this criterion:

- The County's Zoning and Development Code Sections 1002 (Protection of Natural Features) and 709(Conservation Wetland District) apply to the Boardman wetland, Boardman Creek and unnamed tributaries and are adequately protected by ordinance provisions.
- The Oak Lodge Service District has accomplished and continues to work on stream enhancement projects.
- Portions of Boardman wetland have been acquired by the North Clackamas Parks and Recreation District and are thus adequately protected.

Response to County's rationale:

The County's 25-foot buffer does not achieve the intended result of Title 3 protection. The larger vegetated corridor required under Title 3 provides more shading of streams, does more to minimize erosion and help moderate pollutant and nutrient loading, and better moderates storm water flows. Several extensive reviews of scientific literature by Metro provides the basis of the widths of Title 3 vegetated corridors. These reviews show that a 50-foot vegetated corridor around streams and wetlands is on the low end of a range of widths needed to provide for adequate protection of the functions and values associated with stream and wetland riparian corridors.<sup>11</sup> Based on the scientific literature, a 25-foot buffer as provided under county ordinance does not provide adequate protection to streams and wetlands and does not achieve the purpose of Title 3 water quality standards.

CONCLUSION: Based on staff response, this criterion is not met.

## ANALYSIS INFORMATION

1. **Known Opposition.** To date, Metro has not received public comments from individuals, interest groups, or government agencies regarding Clackamas County's exception request to Title 3.
2. **Legal Antecedents.** Policies in Metro's Regional Framework Plan and Title 3 of Metro's Urban Growth Management Functional Plan requires local jurisdictions to meet regional performance standards relating to water quality and floodplain management. The purpose of Title 3 is to protect the beneficial water uses and functions and values of resources within Water Quality and Flood Management Areas. In June 1998 Metro Council adopted Title 3 provisions as part of Metro's Code (Sections

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<sup>11</sup> Metro, 1997. Metropolitan Service District (Metro) Title 3 Policy Analysis and Scientific Review Paper, Portland, OR. See also: Metro, 2002. Metro's Technical Report for Goal 5, Portland, OR, and Metro's Local Plan Analysis: A Review of Goal 5 Protection in the Metro Region, August, 2002.

3.07.310 to 370). Title 3 requires establishment of Water Quality Resource Areas that includes a vegetated corridor as well as the protected water feature such as streams and wetlands.

3. **Anticipated Effects.** Denial of the exception request will ensure consistent application of Title 3 water quality resource area requirements to support protection of the region's streams and wetlands for water quality purposes. In addition, denial of the exception will act to discourage other Title 3 exceptions for similar (mostly developed) water quality resource areas around the region. Conversely, the danger in approving such exceptions is cumulative adverse effects on the values and functions of the region's streams, wetlands, and other water bodies.
4. **Budget Impacts.** There are negligible budget impacts of this resolution.

### **RECOMMENDED ACTION**

Metro code section 3.07.860 lists the criteria that must be met before an exception to a Functional Plan requirement may be granted. The Chief Operating Officer recommends that Metro Council deny the exception request based on staff conclusions of non-compliance with Metro Code Section 3.07.860 criteria a, b, and d.



## Attachments to the Staff Report

Attachment 1: Map of Oak Lodge Sanitary District

Attachment 2: April 5, 2001 letter from Ray Valone, Senior Regional Planner to Doug McClain, Planning Director for Clackamas County

Attachment 3: November 29, 2002 letter from Greg Fritz, Clackamas County Senior Planner, to Ray Valone, Metro

Attachment 4: January 13, 2003 letter from Ray Valone, Metro, to Greg Fritts, Clackamas County

Attachment 5: March 7, 2003 letter from Metro Council President David Bragdon to Clackamas County Commissioner Larry Sowa

Attachment 6: May 7, 2003 letter from Andy Cotugno, Metro Planning Director, to Commissioner Sowa

Attachment 7: July 22, 2004 letter from Douglas McClain, Clackamas County Planning Director, to Andy Cotugno, Metro Planning Director

Attachment 8: August 24, 2004 memo from Andy Cotugno, Metro, to Metro Council and Metro Chief Operating Officer Michael Jordan

*Click the link below to download the map attachments:*

[ftp://ftp.metro-region.org/dist/gm/ClackamasCo\\_Title3\\_Maps/](ftp://ftp.metro-region.org/dist/gm/ClackamasCo_Title3_Maps/)

*Attachments 9-10: Maps of Title 3 Water Quality Resource Areas and vacant lands within the Oak Lodge Sanitary District subject to the County's Exception from Title 3*

Attachment 9a: Title 3 Water Quality and Flood Area Map for Boardman Wetland

Attachment 9b: Map of vacant land for Boardman Wetland

Attachment 10a: Title 3 Water Quality and Flood Area Map for Boardman Creek

Attachment 10b: Map of vacant land for Map Boardman Creek

*Attachments 11-14: Maps of Title 3 Water Quality Resource Areas and vacant lands in other primarily developed areas both within and outside the Oak Lodge Sanitary District*

Attachment 11a: Title 3 Water Quality and Flood Area Map for Forest Creek

Attachment 11b: Map of vacant land for Forest Creek

Attachment 12a: Title 3 Water Quality and Flood Area Map for unnamed tributary to Kellogg Creek

Attachment 12b: Map of vacant land for unnamed tributary to Kellogg Creek

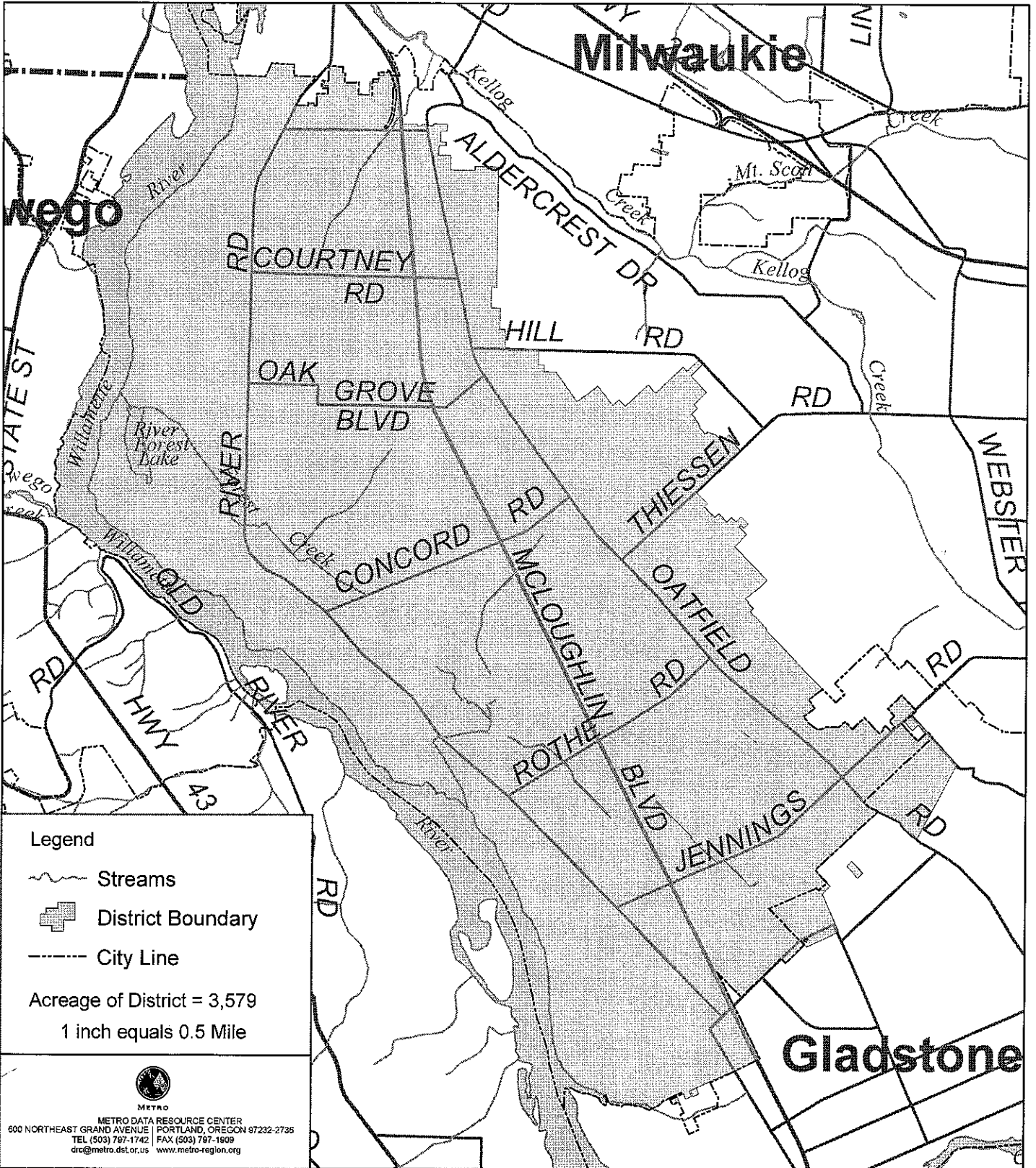
Attachment 13a: Title 3 Water Quality and Flood Area Map for Blue Lake and Fairview Lake

Attachment 13b: Map of vacant land for Blue Lake and Fairview Lake

Attachment 14a: Title 3 Water Quality and Flood Area Map for Fairview Creek

Attachment 14b: Map of vacant land for Fairview Creek

# Oak Lodge Sanitary District





## METRO

April 5, 2001

Douglas M. McClain  
Planning Director  
Clackamas County DTD  
Sunnybrook Service Center  
9101 SE Sunnybrook Blvd.  
Clackamas, OR 97015

Dear Doug:

Metro staff has made a final determination on the County's submittals and the follow-up discussions regarding compliance with Title 3 of the Functional Plan. We are treating the area within the UGB and the area outside the UGB but within the Metro jurisdictional boundary differently for this determination.

### INSIDE THE UGB

Based on the information submitted, the County meets the standards of Title 3 within the UGB except for several water features within the Oak Lodge Sanitary District area. In previous submittals and discussions, I have addressed the 'Boardman Swamp' wetland separately and demonstrated that the current County regulations do not substantially comply with Title 3.

### Oak Lodge Sanitary District Area

The existing buffer requirement for streams and wetlands within the district is twenty-five feet. There are three stream segments and associated wetlands identified on the Title 3 maps as subject to that Title's regulations.

The tributary of Johnson Creek, Forest Creek and an unnamed creek (Attachments 1 - 7) have several underdeveloped and vacant properties adjacent to them. These properties could be further developed without Title 3 protection of the streams. A segment of the lower part of the unnamed creek has adjacent steep slopes and thus is subject to a wider vegetated corridor (Attachment 5).

Many of the properties adjacent to these streams are developed to the maximum allowed under the existing zoning. Existing uses and conditions, however, do not preclude implementation of Title 3. Properties may redevelop or change current status. Additional protection under Title 3 not only applies to 'development' as defined in the Functional Plan, but would also take effect upon additions or modifications to existing uses within the corridor (Metro Code 3.07.340(D)(3)).

The sections of the streams that are piped are not subject to Title 3 regulations, and can be removed from the Title 3 map based on evidence that you submit to us. In addition, the County may request that areas be deleted from the Title 3 map (see Metro Code 3.07.820(B)(3)).

### 'Boardman Swamp'

The current required buffer for this wetland is twenty-five feet. According to County staff analysis and the map of this wetland (Greg Fritts letter of October 6, 2000), the north section of the wetland borders several lots of undeveloped/underdeveloped land. There are five lots, zoned R-7, that contain single family residences, four older ones, that may redevelop and/or subdivide. There are eight lots, zoned MR 1, that contain older single family residents on them that may redevelop and/or subdivide. These properties need to be protected under Title 3. The remaining properties surrounding the wetland, though currently developed to the maximum under existing zoning, may redevelop or be added to or altered, resulting in adherence to the wetland protection provisions in place at the time.

According to the Fritts' letter, the perimeter of the south section of the wetland that is within the County either cannot be developed (owned by the park district) or is part of a PUD common space. Existing uses and conditions, however, do not preclude implementation of Title 3, which would extend protection of water quality through larger vegetated corridors. Properties may redevelop or change current status. Additional protection under Title 3 not only applies to 'development' as defined in the Functional Plan, but would also take effect upon additions or modifications to existing uses within the corridor.

In addition, while the park district may not allow new construction, the definition of 'development' under Title 3 includes any structure or other activity that results in the removal of more than ten percent of the vegetation on a lot. Title 3 also requires other protections within the vegetated corridor such as maintenance, enhancement or restoration of native cover, if disturbed, and prohibition of uncontained hazardous waste (Metro Code 3.07.340(B)(2d-e)).

### Conditions for Substantial Compliance

Once the County has adopted Title 3 standards for the Oak Lodge Sanitary District including the Boardman Swamp wetland, Metro will deem the County in substantial compliance to Title 3's water quality and floodplain protection policies for the area inside the Metro UGB. If the County chooses not to follow Metro requirements, the County would need to request an exception to the requirements.

### OUTSIDE THE UGB

Title 3 applies to areas outside the UGB but within the Metro jurisdictional boundary. The two applicable County areas are Stafford and Damascus.

### Stafford

The Stafford area is comprised of the triangular section of land south of Lake Oswego, west of West Linn and north of Metro's boundary. This area is part of the Surface Water Management District of Clackamas County (SWMCC). Currently, County code sections 704

or 1002 govern the buffer requirements for streams and wetlands in this area. This protection includes 25-foot buffers for wetlands and a variable buffer for those streams identified as regulated streams by the County. As previously agreed, SWMCC will adopt regulations to implement Title 3 after the City of Rivergrove adopts similar regulations. At this time, the City of Rivergrove has placed the final proposed Title 3 ordinance on hold pending the outcome of Measure 7. For this reason, we request that SWMCC implement the Title 3 regulations in this area regardless of the City's actions.

### Damascus

For purposes of this interpretation, the Damascus area is considered to be the unincorporated portion of the County east of the UGB, south of Multnomah County, and west and north of Metro's jurisdictional boundary. Based on the information submitted to us, we have determined that the streams in this area are adequately protected at the present time. The lack of protection for the few remaining steep-sloped areas is considered minor in nature for the purposes of compliance with Title 3's vegetated corridor performance standards. Metro's conclusion is based on the amount of protection currently provided under County code, the limitations to development due to rural zoning, and the fact that there are very limited development opportunities along these steeped-sloped segments.

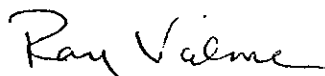
### Conditions for Substantial Compliance

Substantial compliance with Title 3 for the areas outside the UGB is conditioned on the County taking the following actions:

- Stafford – The existing County regulations do not protect all water features, including those identified on the Title 3 map and not identified by the County, to Title 3 standards. The County or SWMCC, therefore, need to adopt Title 3 regulations, or regulations that are in substantial compliance to Title 3.
- Damascus - Upon future adoption by Metro of Goal 5-related regulations and implementation of them by the County, extend full Title 3 stream and wetland protections to all mapped water features.

If you have any questions or would like to discuss our comments, please call me at 503-797-1808.

Sincerely,



Ray Valone  
Senior Regional Planner  
Growth Management Services

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Enclosures

cc: Greg Fritts  
Andy Cotugno  
Ken Helm  
Mary Weber



Clackamas  
County

Resolution No. 05-3620  
Attachment 3

DEPARTMENT OF  
TRANSPORTATION AND DEVELOPMENT

Sunnybrook Service Center

**NOVEMBER 29, 2002**

Ray Valone  
Senior Regional Planner  
METRO Growth Management Services Department  
600 NE GRAND  
PORTLAND, OR 97232 2736

**RE: CLACKAMAS COUNTY TITLE 3 COMPLIANCE ZDO AMENDMENTS,  
PLANNING COMMISSION MEETING**

The Planning Commission, at its October 28 public hearing, considered ZDO 191, the amendments regarding Title 3 compliance for the Boardman Swamp/wetland, and Boardman Creek. There were 45 people in the audience. The commission took extensive testimony in opposition to the amendments. The testimony generally was that the creek was already heavily impacted by various characteristics of urban development, and therefore increasing the buffer from the present 25 feet to 50 or more feet would not serve any beneficial purpose.

There was also testimony that the Boardman wetland should not be protected as a wetland because it is man-made.

After the public testimony closed, the Planning Commission deliberated about the testimony. From those deliberations came questions for Metro, in the form of a motion adopted unanimously by the PC. The questions they want Metro to answer before the next meeting are:

1. Reaffirmation of the Boardman Wetland as a Goal 5 delineated wetland and Title 3 resource.

*Note: The PC is interested in what information Metro used to map Title 3 resources. I will also provide information on the County Goal 5 analysis of this wetland.*

2. The potential impacts on downstream resources of development in the area.

*Note: This is in reference to the few parcels along Boardman Creek east of River Road that have the most development potential. Lots west of this area are predominantly developed at the maximum density allowed, or have topographical and other constraints limiting redevelopment potential. The issue is what will really be achieved by increasing the buffer in this area.*

3. Facts and evidence supporting the reasons for changing the buffers from 25 feet to 50+ feet.

*Note: This relates to the science justifying the increased buffer widths, with again, a special concern about the benefits of wider buffers in a highly developed urban area.*

4. Justification as to why this stream needs to be protected under Title 3 and the inadequacy of the 25 foot to meet the objectives of Title 3.

*Note: This is most related to the 'substantial compliance' issue. The Planning Commission is looking for a clear definition of substantial compliance, and the Metro staff reasons for deeming the county does not meet this definition if the Boardman Swamp and creek are not given more protection than they have through existing regulations.*

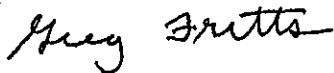
The Planning Commission motion also included a request to Mr. Fritts "to communicate to Metro the importance of a Metro representative attending the next PC meeting, and the seriousness of this request and the need to have justification for Metro's position".

A legal issue was raised in correspondence from a Planning Commission member after the hearing regarding whether Metro is a 'moving party' under state law and Metro Code 2.05.030(e). This will be discussed at the January meeting, so you may want to have Metro's position on this matter.

The Planning Commission meeting to continue testimony on the Title 3 amendments is set for January 27, 2002. The meeting will be at the Sunnybrook Service Center, 9101 SE Sunnybrook Blvd., and will begin at 6:30 pm.

The BCC hearing has been rescheduled from December 4, 2002, to March 19, 2003.

Please contact me if you have questions regarding this matter.



Greg Fritts  
Senior Planner,  
Title 3 Compliance Manager





METRO

Resolution No. 05-3620  
Attachment 4

January 13, 2003

Mr. Greg Fritts, Senior Planner  
Department of Transportation & Development  
Clackamas County  
9101 S.E. Sunnybrook Boulevard  
Clackamas, OR 97015

Dear Mr. Fritts:

This letter is in response to the Planning Commission's request for information regarding Title 3 compliance as it affects the Boardman wetland and Boardman Creek. The following numbered items correspond to the items listed in your letter of November 29, 2002 (Attachment A):

1. *Reaffirmation of the Boardman Wetland as a Goal delineated wetland and Title 3 resource.*

Response: The Water Resources Policy Advisory Committee (WRPAC), a standing committee to the Metro Council, led the development of Title 3. WRPAC used the following sources for designating wetlands on the Water Quality and Flood Management Area Map, the adopted map of Title 3:

- National Wetlands Inventory
- Local jurisdiction information

The northern section of the Boardman Wetland was identified by Metro through the National Wetland Inventory; Clackamas County staff modified its final shape. The southern section of the wetland was included on the Title 3 map as a result of information provided to Metro by Clackamas County staff. I understand that County staff identified it as part of the local Goal 5 process.

2. *The potential impacts on downstream resources of development in the area.*

Response: If 'potential impacts' means what effect on development a 50-foot vegetated corridor will have vs. a 25-foot corridor, I have not calculated the difference in the number of dwelling units. This, of course, is dependent on how the parcels are platted, the land netted out for streets and other infrastructure and any assembly of parcels. A preliminary observation of the lots through aerial photography seems to indicate that the impact would be minor, given the zoning of one unit per 10,000 square feet of land. This impact needs to be balanced with the environmental impact from development within 25 feet of the stream. The streams and wetlands are part of a system. It is important, therefore, that the component parts of that system are treated consistently, if possible. The larger buffer helps in many ways including moderation of stream temperatures; minimizing erosion, nutrient and pollutant loading; and moderating storm water flows. The width of the vegetated corridors for streams and wetlands are actually on the low end of a range of several scientific studies (see 3 below).

3. *Facts and evidence supporting the reasons for changing the buffers from 25 feet to 50+ feet.*  
**Response:** Title 3 was developed after almost two years of analysis and debate by WRPAC. This committee represents a broad spectrum of water resources including stormwater management, municipal water providers, natural resource agencies and citizens. After extensive review and subsequent recommendation by the Metro Technical Advisory Committee (MTAC) and Metro Policy Advisory Committee (MPAC), the Metro Council adopted the Title 3 recommendation without modification in June 1998. Local jurisdictions had until January 2000 to amend their plans and codes to comply with this title.

WRPAC had access to several scientific studies during the development of the performance measures found in Title 3. I have included excerpts from a white paper released by Metro in July 1997, entitled "Policy Analysis and Scientific Literature Review – For Title 3 of the Urban Growth Management Functional Plan," to help the Planning Commission understand the level of research and review that went into the determination of Title 3 vegetated corridors (Attachment B). As you will read in the white paper, the 50-foot buffer width around wetlands and streams is on the low end of a range of scientific studies conducted for the various functions associated with stream and wetland corridors.

4. *Justification as to why this stream needs to be protected under Title 3 and the inadequacy of the 25-foot to meet the objectives of Title 3.*  
**Response:** My response to item 3 above, including the white paper excerpts, addresses the issue of why 50-foot buffers are more effective than 25-foot buffers for protecting the functions and values of wetland and vegetated corridors. If this item relates more to the issue of substantial compliance, I offer the following:
- As you know, County and Metro staff have been working since June 1999 on the County's compliance with Title 3. After several discussions and much review of existing County code as well as adoption of Title 3 regulations by CCSD1 and SWMCC, Metro staff wrote two letters to Doug McClain during April 2001 with our final determination regarding County compliance with Title 3 (Attachment C). This determination includes consideration of 'substantial compliance,' as described in those letters.
  - In summary, the letters conclude that the County will be in substantial compliance with Title 3 after meeting three conditions. One condition has been met, i.e., SWMCC adopted new regulations for the Stafford Basin area. The two remaining conditions are as follows (excerpted from the letters):
    - 1) "Once the County has adopted Title 3 standards for the Oak Lodge Sanitary District including the Boardman Swamp wetland, Metro will deem the County in substantial compliance to Title 3's water quality and floodplain protection policies for the area inside the Metro UGB. If the County chooses not to follow Metro requirements, the County would need to request an exception to the requirements."
    - 2) "Damascus - Extend the same level of protection, pursuant to existing County code, to all stream segments and wetlands that are shown on the Title 3 map. If any of the Title 3 mapped water features are inaccurate or no longer exist, please submit this information with evidence demonstrating why they should be removed from the map. Upon future adoption by Metro of Goal 5-related regulations and implementation of them by the County, extend full Title 3 stream and wetland protections to all mapped water features."
  - As defined in the Functional Plan, 'substantial compliance means city and county comprehensive plans and implementing ordinances, on the whole, conform with the purposes of the performance standards in the functional plan and any failure to meet individual performance

Mr. Greg Fritts, Senior Planner  
Department of Transportation & Development  
Clackamas County  
January 13, 2003  
Page 3

standard requirements is technical or minor in nature.' The intent behind this definition is to allow for some flexibility in implementing Title 3 standards. The use of this type of compliance has been limited, however, to three instances within the entire metropolitan region, including the County's case. All other jurisdictions except West Linn have adopted code to comply with Title 3 without an interpretation of substantial compliance.

The City of Portland staff demonstrated that the City's code for development within the environmental overlay zones gives as much or more protection for streams and wetlands as does Title 3. In addition, the code serves to ensure that a development is located as far away as possible from the resource. Further, a mitigation or remediation plan is required when, through an alternatives analysis, it is determined that development cannot avoid impacts to the resources on the site.

The City of Lake Oswego requested that Oswego Lake not be subject to the balance cut and fill provision of Title 3's floodplain standards, due to the lake not being a river or stream channel and not having a riverine floodplain. City staff submitted information demonstrating that the lake functions as a detention facility, especially during flood events. Based on the information submitted, Metro staff concluded that the City's not meeting performance standard 3.07.340A(2)(b) is minor in nature for reducing the risk of flooding, preventing or reducing risk to human life and property and maintaining functions and values of floodplains.

Based on the information submitted to date from the County, Metro staff abides by the letters of April 5 and April 9, 2001 regarding substantial compliance to Title 3. If the County chooses not to meet the two remaining conditions put forth in those letters, it may request an 'exception' to these requirements of Title 3. We have already discussed with you the process to request an exception. Section 3.07.860 of the Metro code includes the criteria for granting an exception (Attachment D).

Ken Helm from the Metro Attorney's Office and I will attend the Planning Commission's meeting on January 27, 2003 to answer any additional questions about this matter. Please forward this letter to the Commission.

If you have any questions about this letter, please contact me at 503-797-1808 or email me at [valoner@metro.dst.or.us](mailto:valoner@metro.dst.or.us).

Sincerely,



Ray Valone  
Senior Regional Planner  
Planning Department

RV/srb  
I:\gm\community\_development\share\Correspondence\CCPlngComm response.doc

Enclosures

cc: Brenda Bernards  
Ken Helm



**METRO**

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736  
TEL 503 797 1540 | FAX 503 797 1793

March 7, 2003

**Council President David Bragdon**

The Honorable Larry Sowa, Chair  
Clackamas County Board of Commissioners  
807 Main Street  
Oregon City, OR 97045

Dear Chair Sowa:

This letter addresses the current status of County compliance with Metro's Title 3. It is in part a response to the Planning Commission's hearing and motion on January 27 regarding proposed ZDO-191 to adopt Title 3 regulations within the Oak Grove Sanitary District. As you know, our staff has been working with County staff for almost three years on compliance with Title 3. This letter summarizes the process to date as well as lays out possible next steps in order to complete the process.

Originally adopted in June 1998, Title 3 was to be implemented by all jurisdictions by December 18, 1999. Due to several issues including staffing resources and controversial provisions of that title, many jurisdictions requested that the Metro Council extend the deadline. The Council did extend all requested deadlines from early 2000 to December 2001. At that time, the Metro Council stated that no more extensions would be granted. The last extension expired in December 2002, which included the deadline for Clackamas County.

As a result of many months of contacts between our staffs, two letters were sent to Doug McClain from Ray Valone during April 2001. Those letters reflect Metro staff's final determination that the County would be in substantial compliance with Title 3 upon the completion of the following three actions (also see Attachment 1):

1. Adopt Title 3 standards for the Oak Lodge Sanitary District including the Boardman wetland;
2. Adopt Title 3 standards for the Stafford Basin area within the Metro jurisdictional boundary; and
3. Extend the same level of protection, pursuant to existing County code, to all stream segments and wetlands that are shown on the Title 3 map within the Damascus/Boring area, defined as east of the pre-2002 Urban Growth Boundary line, south of the Multnomah/Clackamas county line, and west and north of the Metro jurisdictional boundary. If any of the Title 3 mapped streams or wetlands are inaccurate or no longer exist, please submit this information with evidence demonstrating why they should be removed from the map.

March 7, 2003

Page 2

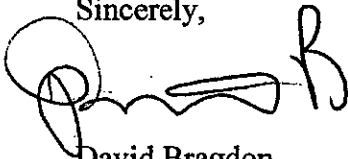
On January 27, 2003, the Clackamas County Planning Commission voted, though not a formal recommendation, to not adopt code language implementing Title 3 regulations within the Oak Lodge Sanitary District. We understand that the Board of Commissioners' hearing on this proposal (ZDO-191) is scheduled for March 19. The County has met the second condition through the Board of Commissioners' adoption of Title 3 requirements into the Rules and Regulations, effective July 2002, of the Surface Water Management District of Clackamas County. The County has not yet addressed the last condition.

The County has not, therefore, demonstrated substantial compliance with the requirements of Title 3. Because the time extension for compliance elapsed at the end of December 2002, future County decisions could be subject to appeals by Metro or any third party who is affected by the non-compliance. At this time, the County's options are as follows:

1. Adopt ZDO-191 extending Title 3 coverage for stream and wetland protection within the Oak Lodge Sanitary District, thereby meet condition 1 above.
2. Initiate a process to extend the same level of protection, pursuant to existing County code, to all stream segments and wetlands shown on the Title 3 map within the Damascus/Boring area, thereby meeting condition 3 above.
3. Alternatively, request an exception to the appropriate Title 3 requirements. This process includes review by MPAC and a public hearing by the Metro Council to determine whether the exception request meets the criteria found in Section 3.07.860 of the Functional Plan.
4. Demonstrate substantial compliance with Title 3. Completion of options 1 and 2 above would be considered substantial compliance. Alternatively, the County may submit additional substantive information demonstrating how these resources would be protected in conformance with the purposes of the Title 3 standards.

If you have questions about this letter, please contact Ray Valone by phone at 503-797-1808, or email him at [valoner@metro.dst.or.us](mailto:valoner@metro.dst.or.us).

Sincerely,



David Bragdon  
Council President

Enclsoures

cc: Doug McClain  
Andy Cotugno  
Ray Valone



**METRO**

Resolution No. 05-3620  
Attachment 6

May 7, 2003

The Honorable Larry Sowa  
The Honorable Bill Kennemer  
The Honorable Martha Schrader  
Clackamas County Board of Commissioners  
906 Main Street  
Oregon City, OR 97045

Dear Chair Sowa and Commissioners Kennemer and Schrader:

**Re: Title 3**

As you know, Title 3 (Water Quality, Flood Management and Fish and Wildlife Conservation) of Metro's Urban Growth Management Functional Plan (Functional Plan) requires all cities and counties in the Metro jurisdictional boundary to revise their comprehensive plans and land use ordinances, if necessary, to comply with performance standards in the title. Clackamas County has complied with Title 3 for most areas of the county. I understand, however, that the county decided in March not to revise its plan or ordinances to comply with Title 3 in the Oak Lodge Sanitary District area. My purpose here is to tell you about avenues now available to the county and to ask you which of these avenues the county would like to pursue.

First, the county may seek an exception to the Title 3 requirement from the Metro Council. The process and the criteria for an exception are set forth in Title 8 (Compliance Procedures, section 3.07.860) of the Functional Plan and are enclosed with this letter for your review. From what I know of the circumstances you face in Oak Lodge, I believe that it will be difficult for the county to satisfy the exception criteria in Title 8. However, this process is nonetheless available to the county. I have enclosed the form provided by Metro for an exception application.

Second, the county may seek review of the matter by the Metropolitan Policy Advisory Council (MPAC). MPAC may hold a hearing on the county's request, and make recommendations on possible resolution of the matter to the Metro Council. The matter would then go before the Metro Council at a public hearing. I have enclosed the sections of Title 8 (3.07.830 and 3.07.840) that describe this process more fully.


Please bear in mind that the time extension for Clackamas County's compliance with Title 3 lapsed December 2002. This means that the county must apply the provisions of Title 3 directly to land use decisions in the subject area until the county has amended its comprehensive plan to comply with Title 3. This is a requirement of Title 8, section 3.07.810.E, a copy of which is

The Honorable Larry Sowa  
The Honorable Bill Kennemer  
The Honorable Martha Schrader  
Clackamas County Board of Commissioners  
May 7, 2003  
Page 2

enclosed. Any person who participates in the county's process may appeal the decision to Land Use Board of Appeals on grounds that the decision violates Title 3.

Ray Valone of Metro's Planning Department (503-797-1808), Dick Benner of the Office of Metro Attorney (503-797-1532) or I (503-797-1763) would be happy to discuss these options with you at your convenience.

Sincerely,



Andrew C. Cotugno  
Planning Department Director

ACC/srb  
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Enclosures

cc: David Bragdon, Metro Council President  
Brian Newman, Metro Council District 2



*Clackamas  
County*

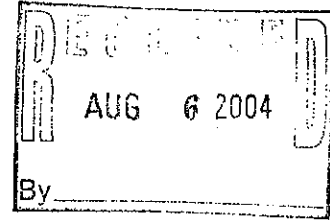
Resolution No. 05-3620  
Attachment 7

**DEPARTMENT OF  
TRANSPORTATION AND DEVELOPMENT**

**Sunnybrook Service Center**

July 22, 2004

Andy Cotugno  
Metro  
600 NE Grand Avenue  
Portland, Oregon  
97232



Re: Exception Request

Enclosed are the appropriate forms for a request for an exception from Title 3, for two specific areas. I have also included a copy of the Board Order denying the proposed amendments that would have brought the County into compliance.

If you have any questions regarding this material, please contact me.

Cordially,

Douglas M. McClain  
Planning Director



# M E M O R A N D U M

Resolution No. 05-3620  
Attachment 8


600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736  
TEL 503 797 1700 | FAX 503 797 1797



**METRO**

August 24, 2004

TO: Metro Councilors  
Mike Jordan, Chief Operating Officer

FROM:  Andy Cotugno, Planning Director

RE: Title 3 Exceptions Application

I have recently received an application for an exception from Title 3 of the Urban Growth Management Functional Plan from Clackamas County. This application is for an exception from the requirements of the Water Quality Resource Area performance standards for the Oak Lodge Sanitary District portion of the county. The County Commission believes that it is in substantial compliance with the requirement. This represents the first time that a local government has applied for an exception to a functional plan requirement.

Metro Code 3.07.860 provides the exceptions process for compliance with functional plan requirements. The code calls for the Council President to set a public hearing on the issue before the Metro Council and must notify the Metro Policy Advisory Committee (MPAC), the Department of Land Conservation and Development (DLCD) and anyone who requests to be notified of exception requests. A staff report will be available to allow scheduling of this hearing in mid-October.

After the public hearing, the Metro Council determines whether the exception meets four criteria and may grant an exception if it finds:

1. It is not possible to achieve the requirement due to topographic or other physical constraints or an existing development pattern;
2. This exception and likely similar exceptions will not render the objective of the requirement unachievable region-wide;
3. The exception will not reduce the ability of another city or county to comply with the requirement; and
4. The city or county has adopted other measures more appropriate for that jurisdiction to achieve the intended result of the requirement.

The Council may establish terms and conditions for the exception to ensure that it does not undermine the ability of the region to achieve the 2040 Growth Concept. Such terms or conditions must relate to the functional plan requirement to which the Council grants the exception. The terms and conditions must be incorporated into the Council's order granting the exception.

The Council must issue an order with its conclusion and analysis and send a copy to the city or county seeking the exception, MPAC, DLCD and anyone requesting a copy of the order. The city or county or a person who participated in the proceeding may seek review of the Council's order as a land use decision described in ORS 197.015(10) (a) (A).

If you have any questions, please contact either Dick Benner at extension 1532 or me at extension 1763.

cc: Dan Cooper  
Richard Benner

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING PROVISIONS ) ORDINANCE NO. 05-1091  
OF METRO CODE CHAPTER 7.01 RELATING TO )  
EXCISE TAX IMPOSED ON CERTAIN CONSUMER ) Michael Jordan, Chief Operating  
AND EXHIBITOR PAYMENTS AT THE ) Officer in concurrence with Council  
METROPOLITAN EXPOSITION-RECREATION ) President Bragdon  
COMMISSION FACILITIES )

WHEREAS, Chapter 7.01 of the Metro Code imposes an excise tax on certain payments made by consumers and exhibitors at licensed events and retail businesses at the facilities managed by the Metropolitan Exposition-Recreation Commission (“MERC”); and

WHEREAS, Metro does not presently collect excise tax on payments made by consumers or exhibitors when the payments are made to operators only and are not repaid to MERC; and

WHEREAS, Chapter 7.01 does not presently exempt from the excise tax those payments made by members of the public for admission to events held at the MERC facilities; and

WHEREAS, Chapter 7.01 does not presently exempt from the excise tax those payments made by members of the public to purchase goods and services from exhibitors at events held at the MERC facilities; and

WHEREAS, Chapter 7.01 does not presently exempt from the excise tax those payments made by exhibitors to event organizers for the right to use booth space, exhibit space, or utilities or other event-related services at events held at MERC facilities; and

WHEREAS, Chapter 7.01 does not presently exempt from the excise tax those payments made by persons to purchase goods or services from retail businesses operating on the premises of the MERC facilities pursuant to long-term lease agreements; and

WHEREAS, it is desirable to amend Chapter 7.01 to include an exemption from the excise tax on payments made by consumers and exhibitors to operators to ensure that Chapter 7.01 accurately reflects Metro’s actual excise tax collection practices; now, therefore

THE METRO COUNCIL ORDAINS that:

- 1. Metro Code Chapter 7.01, Section 7.01.050 is amended to read as shown on Exhibit “A.”

ADOPTED by the Metro Council this 29th day of September 2005.

\_\_\_\_\_  
David Bragdon, Council President

Attest:

Approved as to form:

\_\_\_\_\_  
Christina Billington, Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney

Exhibit A to Ordinance No. 05-1091

7.01.050 Exemptions

(a) The following persons, users and operators are exempt from the requirements of this chapter:

- (1) Persons, users and operators whom Metro is prohibited from imposing an excise tax upon under the Constitution or Laws of the United States or the Constitution or Laws of the State of Oregon.
- (2) Persons who are users and operators of the Portland Center for the Performing Arts.
- (3) Persons whose payments to Metro or to an operator constitute a donation, gift or bequest for the receipt of which neither Metro nor any operator is under any contractual obligation related thereto.
- (4) Any persons making payment to Metro for a business license pursuant to ORS 701.015.
- (5) Any person which is a state, a state agency or a municipal corporation to the extent of any payment made directly to Metro for any purpose other than solid waste disposal, use of a Metro ERC facility, or use of the Oregon Zoo.
- (6) Users of the following facilities:
  - (A) Facilities that are certified, licensed, franchised or exempt from regulation under Metro Code Chapter 5.01 other than Disposal Sites or Transfer Stations that are not subject to the requirements of Metro Code Section 5.01.125(a) as amended by Metro Ord. 00-866;
  - (B) Facilities that treat to applicable DEQ standards Cleanup Material Contaminated by Hazardous Substances;
  - (C) Licensed yard debris processing facilities or yard debris reload facilities;

- (D) Tire processing facilities that sort, classify or process used tires into fuel or other products and thereafter produce a Processing Residual that is regulated under Metro Code Chapter 5.01 and that conforms to standards established pursuant to ORS 459.710(2) by the Oregon Environmental Quality Commission.
- (7) Persons making payments to Metro for the following purposes:
- (A) Individual or corporate sponsorship or naming rights contracts. A naming rights contract is any contract under which a Metro or Metro ERC facility or part of a facility (as authorized by Metro Code Chapter 2.16) will be named for the sponsor in exchange for payment from the sponsor. A sponsorship contract is a contract under which the sponsor's name or logo will be used in connection with a district facility's goods, buildings, parts of buildings, services, systems, or functions in exchange for payment from the sponsor. This exemption applies to any payments pursuant to sponsorship or naming rights contracts, including payments of money, goods, services, labor, credits, property, or other consideration.
  - (B) Payments for advertising at Metro facilities and Metro ERC facilities.
  - (C) Contributions, bequests, and grants received from charitable trusts, estates, nonprofit corporations, or individuals regardless of whether Metro agrees to utilize the payment for a specific purpose including all payments to the Oregon Zoo Parents program;
  - (D) Corporate sponsorships or co-promotional efforts for events that are open to the general public, or for specific capital improvements, educational programs, publications, or research projects;

- (E) Payments that entitle a person to admission to a fund-raising event benefiting the Oregon Zoo that is not held on the grounds of the Oregon Zoo;
  - (F) Payments that entitle a person to admission to a special fund-raising event held at the Oregon Zoo where the event is sponsored and conducted by a nonprofit organization approved by the Council and the primary purpose of which is to support the Oregon Zoo and the proceeds of the event are contributed to the Oregon Zoo;
  - (G) Notwithstanding the provisions of subsection (C) through (F) above, all payments received by Metro for admission to the Oregon Zoo, or which entitle individuals to receipt of food, beverages, goods, or rides on the Oregon Zoo train shall be subject to tax regardless of whether payment is received from an individual or otherwise on behalf of special groups including but not limited to employee and family member picnics, corporate or family parties, or similar events.
- (8) Users and operators paying compensation to any person who is operating and lease property at the Glendoveer Golf Course pursuant to a long-term agreement entered into with Multnomah County prior to January 1, 1994.
- (9) A tire processor which is regulated pursuant to Metro Code Chapter 5.01 and which sorts, classifies or processes used tires into fuel or other products, shall be exempt from payment of excise tax on disposal of residual material produced directly as a result of such process, provided said residual conforms to Environmental Quality Commission standards established pursuant to ORS 459.710(2). This exemption is only granted to the extent, and under the terms, specified in the Metro certificate, license or franchise.

- (10) Persons who deliver useful material to disposal sites, provided that such sites are listed as a Metro Designated Facility under Metro Code Chapter 5.05 or are named in a Metro Non-System License and provided further that the Useful Material: (A) is intended to be used, and is in fact used, productively in the operation of such site for purposes including roadbeds and alternative daily cover; and (B) is accepted at such site at no charge.
- (11) Persons making the following payments:
- (A) Payments that entitle a person to admission to an event that is held in a Metro ERC facility pursuant to a license agreement between Metro ERC and an operator; and
  - (B) Payments to an operator that entitle a person to purchase booth space or exhibit space, or utilities or services associated with such booth or exhibit space, at an event that is held in a Metro ERC facility pursuant to a license agreement between Metro ERC and an operator; and
  - (C) Payments to a user or operator that entitle a person to purchase goods, services, food, or beverages from a user or operator selling such goods, services, food, or beverages at a Metro ERC facility.
  - (D) Notwithstanding the provisions of subsections (A) through (C) above, all payments made to any operator authorized by a management agreement or services agreement with Metro ERC to provide catering services, to provide food and beverage concessions services (other than vending machines), or to operate parking lots at Metro ERC facilities shall be subject to tax.

## STAFF REPORT

### IN CONSIDERATION OF ORDINANCE NO. 05-1091, FOR THE PURPOSE OF AMENDING PROVISIONS OF METRO CODE CHAPTER 7.01 RELATING TO EXCISE TAX IMPOSED ON CERTAIN CONSUMER AND EXHIBITOR PAYMENTS AT THE METROPOLITAN EXPOSITION-RECREATION COMMISSION FACILITIES

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Date: September 29, 2005

Prepared by: Jeff Miller and Kathy Taylor

## BACKGROUND

Metro does not presently collect sales tax on payments made by consumers and exhibitors at licensed events and retail businesses at facilities managed by the Metropolitan Exposition-Recreation Commission. Amending Metro code chapter 7.01 to include an exemption from excise tax on payments made by consumers and exhibitors to operators accurately reflects Metro's actual excise tax collection practices.

The proposed exemption does not affect the following revenue, all of which will continue to be subject to the excise tax of 7.5%:

- Facility rental charges (paid by event licensees) and all event-related charges (paid by both event licensees and by event participants, such as exhibitors), when such payments are made directly to MERC;
- Rent payments paid to MERC by the retail lessees (Kinko's, Appellation Oregon, Your Northwest, Pacific Coast Bank);
- Gross concessions and catering revenue collected by MERC's authorized concessionaire;
- Gross parking revenue collected by MERC's authorized parking lot management contractor;
- Commissions paid to MERC by private operators of miscellaneous services provided at the MERC facilities, including commissions paid by ATM operators, vending machine operators, and electrical contractor Hollywood Lights (at the Expo Center).

See attachment for detailed analysis.

## ANALYSIS/INFORMATION

**1. Known Opposition:** None known

### 2. Legal Antecedents

ORS 268.507 authorizes Metro, subject to the provisions of its charter, to impose by ordinance excise taxes on any person using the facilities, equipment, systems, functions, services or improvements owned, operated, franchised or provided by Metro.

Ordinance No. 90-333-A added Chapter 7.01, Excise Taxes, to the Metro Code. Section 7.01.020(a) of the Code imposed a tax on users of Metro facilities, including the facilities operated by the Metropolitan Exposition-Recreation Commission. However, Ordinance No. 90-333-A exempted the following users from the tax:



Users who are sublessees, subtenants, sublicensees, or other persons paying compensation for the use of Metro ERC Facilities including payments by users for concessions or catering services made to the Commission or its agents but not users who purchase admission tickets for events at Metro ERC Facilities that are available to members of the general public.

Ordinance No. 95-590 deleted the entire exemption quoted above.

- 3. Anticipated Effects:** This action codifies the actual practice of how Metro imposes an excise tax.
- 4. Budget Impacts:** Gross revenue collected by OCC's wireless internet provider would be exempt under this section. The 2004-05 excise tax generated from this revenue source was \$7,500, the estimate for 2005-06 is approximately \$7,800.

#### **RECOMMENDED ACTION**

Adopt ordinance 05-1091 amending Metro code chapter 7.01 relating to excise tax imposed on certain consumer and exhibitor payments at the Metropolitan Exposition-Recreation Commission facilities.

**ANALYSIS OF PROPOSED NEW EXCISE TAX EXEMPTION FOR CONSUMER AND EXHIBITOR  
PAYMENTS AT MERC FACILITIES**

The proposed exemption does not affect the following revenue, all of which will continue to be subject to the excise tax of 7.5%:

- Facility rental charges (paid by event licensees) and all event-related charges (paid by both event licensees and by event participants, such as exhibitors), when such payments are made directly to MERC;
- Rent payments paid to MERC by the retail lessees (Kinko’s, Appellation Oregon, Your Northwest, Pacific Coast Bank);
- Gross concessions and catering revenue collected by MERC’s authorized concessionaire;
- Gross parking revenue collected by MERC’s authorized parking lot management contractor;
- Commissions paid to MERC by private operators of miscellaneous services provided at the MERC facilities, including commissions paid by ATM operators, vending machine operators, the wireless internet service provider, and electrical contractor Hollywood Lights (at the Expo Center).

The proposed exemption exempts the following payments:

<b>PROPOSED EXEMPTION LANGUAGE</b>	<b>EFFECT OF PROPOSED EXEMPTION</b>
<p>“Payments that entitle a person to admission to an event that is held in a Metro ERC facility pursuant to a license agreement between Metro ERC and an operator” are exempt.</p>	<p><b><i>Codifies actual practice.</i></b> Exempts all ticket/admissions revenues, whether paid to the event promoter (the “operator”) or to MERC itself at the MERC box office</p>
<p>“Payments to an operator that entitle a person to purchase booth space or exhibit space, or utilities or services associated with such booth or exhibit space, at an event that is held in a Metro ERC facility pursuant to a license agreement between Metro ERC and an operator” are exempt.</p>	<p><b><i>Codifies actual practice.</i></b> Exempts payments made by event participants (typically exhibitors) who pay the event promoter (the “operator”) for booth space and on some occasions for utilities and other event-related services.</p> <p>Does not exempt payments <u>to MERC</u> by event participants or promoters for reimbursed labor, utilities, or similar event-related charges. (MERC currently pays excise tax on this revenue.)</p>

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PROPOSED EXEMPTION LANGUAGE	EFFECT OF PROPOSED EXEMPTION
<p>“Payments to a user or operator that entitle a person to purchase goods, services, food, or beverages from a user or operator selling such goods, services, food, or beverages at a Metro ERC facility” are exempt.</p>	<p><b><i>Codifies actual practice.</i></b> Exempts the following payments:</p> <ul style="list-style-type: none"> <li>• Payments made to purchase goods, services, food, or beverages from any of the retail lessees;</li> <li>• Payments made to purchase goods, services, food, or beverages during an event (except for payments made to Aramark);</li> <li>• Payments made to purchase food or beverages from vending machines at the MERC facilities;</li> <li>• Service charges paid by consumers to ATMs at MERC facilities;</li> <li>• Payments for food or beverages supplied by a vending machine;</li> <li>• Payments that entitle a person to use a pay phone.</li> </ul> <p>Does not exempt any payment <u>to MERC</u> for MERC’s sale of goods or services (e.g., OCC sweatshirts or similar souvenirs).</p> <p><b><i>Effect of Exemption on Wireless Internet Revenues.</i></b> <u>Gross</u> revenue collected by OCC’s wireless internet service provider (Eleven Wireless) would be exempt under this section. MERC currently pays excise tax on this gross revenue. (MERC receives a percentage of the gross revenue from Eleven Wireless as MERC’s fee for permitting Eleven Wireless to provide the service.) Under the proposed exemption, MERC would pay excise tax on MERC’s share of revenues MERC actually receives from Eleven Wireless.</p> <p>Estimated excise tax impact for FY 05-06: <b><i>\$7,800.</i></b></p>

PROPOSED EXEMPTION LANGUAGE	EFFECT OF PROPOSED EXEMPTION
<p>“Notwithstanding the provisions of subsections (A) through (C) above, all payments made to any operator authorized by a management agreement or services agreement with Metro ERC to provide catering services, to provide food and beverage concessions (other than vending machines), or to operate parking lots at Metro ERC facilities shall be subject to tax.”</p>	<p><i>Codifies actual practice.</i> Confirms that excise tax will still be imposed on all <u>gross</u> revenues received by MERC’s contracted concessions/catering and parking lot operators.</p>

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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING FY 2005-	)	ORDINANCE NO. 05-1095
06 APPROPRIATIONS RECOGNIZING GRANTS	)	
AND DONATIONS TO THE OREGON ZOO,	)	Introduced by Mike Jordan, Chief Operating
ADDING 2.00 LIMITED DURATION FTE; AND	)	Officer, with the concurrence of Council
DECLARING AN EMERGENCY	)	President Bragdon

WHEREAS, the Metro Council has reviewed and considered the need to increase appropriations within the FY 2005-06 Budget; and

WHEREAS, Oregon Budget Law ORS 294.326 allows for the expenditure in the year of receipt of grants, gifts, bequests, and other devices received by a municipal corporation in trust for a specific purpose; and

WHEREAS, the need for the increase of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 2005-06 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of recognizing \$569,333 in donations and grant funds for specific projects, increasing operating expenditures in the Metro Capital Fund and Metro General Fund, and adding 2.0 FTE (limited duration Program Assistant I).
2. That the FY 2005-06 through FY 2009-10 Capital Improvement Plan is hereby amended to include the projects shown in Exhibit C to this Ordinance.
3. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
David Bragdon, Council President

Attest:

Approved as to Form:

\_\_\_\_\_  
Christina Billington, Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney

**Exhibit A**  
**Ordinance No. 05-1095**

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
<b>Metro Capital Fund</b>							
<u>Resources</u>							
BEGBAL Beginning Fund Balance							
3500	* Prior year ending balance		6,183,779		0		6,183,779
3500	* Prior year PERS Reserve		6,601		0		6,601
GRANTS Grants							
4110	State Grants-Direct		60,000		0		60,000
INTRST Interest Earnings							
4700	Interest on Investments		139,059		0		139,059
DONAT Contributions from Private Sources							
4750	Donations and Bequests		0		320,000		320,000
EQTREV Fund Equity Transfers							
4970	Transfer of Resources						
	* from General Fund (1% on SW revenues)		200,000		0		200,000
	* from General Fund (per ton on SW)		1,125,600		0		1,125,600
	* from General Fund (Regional Parks)		1,032,660		0		1,032,660
	* from General Fund (Supp Svcs)-IT R&R		316,570		0		316,570
	* from General Fund (Bldg)-MRC R&R		97,000		0		97,000
	* from General Fund-Gen'l R&R		250,000		0		250,000
	* from Gen'l Revenue Bond Fund-MRC R&R		585,000		0		585,000
INTSRV Internal Service Transfers							
4980	Transfer for Direct Costs						
	* from Open Spaces		20,000		0		20,000
	* from General Fund (Regional Parks)		25,000		0		25,000
<b>TOTAL RESOURCES</b>			<b>\$10,041,269</b>		<b>\$320,000</b>		<b>\$10,361,269</b>

**Exhibit A**  
**Ordinance No. 05-1095**

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
<b>Metro Capital Fund</b>							
<u>Personal Services</u>							
SALWGH Salaries & Wages							
5010	Reg Employees-Full Time-Exempt						
	Service Supervisor III	1.00	51,102	-	0	1.00	51,102
5030	Temporary Employees		0		20,314		20,314
5089	Salary Adjustment						
	* Adjustment Pool (Non-Rep/AFSCME)		1,022		0		1,022
	* COLA (represented employees)		1,278		0		1,278
FRINGE Fringe Benefits							
5100	Fringe Benefits						
	* Base Fringe (variable & fixed)		22,877		1,686		24,563
Total Personal Services		1.00	\$76,279	-	\$22,000	1.00	\$98,279
Total Materials & Services			\$500,000		\$0		\$500,000
<u>Capital Outlay</u>							
CAPCIP Capital Outlay (CIP Projects)							
5715	Improve-Oth thn Bldg (CIP)		1,107,500		0		1,107,500
5725	Buildings & Related (CIP)		250,000		200,000		450,000
	* Great Northwest Project		2,000,000		98,000		2,098,000
	* California Condor Breeding Facility		520,000		0		520,000
	* Admission Ticketing System		200,000		0		200,000
Total Capital Outlay			\$4,077,500		\$298,000		\$4,375,500
Total Interfund Transfers			\$500		\$0		\$500
Total Contingency & Unappropriated Balance			\$5,386,990		\$0		\$5,386,990
<b>TOTAL REQUIREMENTS</b>		1.00	\$10,041,269	-	\$320,000	1.00	\$10,361,269



**Exhibit B**  
**Ordinance No. 05-1095**  
**FY 2005-06 SCHEDULE OF APPROPRIATIONS**

	<u>Current Appropriation</u>	<u>Revision</u>	<u>Amended Appropriation</u>
<b>GENERAL FUND</b>			
Council Office			
<u>Subtotal</u>	1,438,397	0	1,438,397
Finance & Administrative Services			
<u>Subtotal</u>	6,959,798	0	6,959,798
Human Resources			
<u>Subtotal</u>	1,136,818	0	1,136,818
Metro Auditor			
<u>Subtotal</u>	631,742	0	631,742
Office of Metro Attorney			
<u>Subtotal</u>	1,390,347	0	1,390,347
Oregon Zoo			
Operating Expenses (PS & M&S)	21,339,357	72,883	21,412,240
Capital Outlay	285,700	176,450	462,150
<u>Subtotal</u>	21,625,057	249,333	21,874,390
Planning			
<u>Subtotal</u>	14,584,926	0	14,584,926
Public Affairs & Government Relations			
<u>Subtotal</u>	1,228,768	0	1,228,768
Regional Parks & Greenspaces			
<u>Subtotal</u>	6,389,599	0	6,389,599
Non-Departmental			
<u>Subtotal</u>	2,511,645	0	2,511,645
General Expenses			
<u>Subtotal</u>	19,995,157	0	19,995,157
Unappropriated Balance	1,952,429	0	1,952,429
<b>Total Fund Requirements</b>	<b>\$79,844,683</b>	<b>\$249,333</b>	<b>\$80,094,016</b>
<b>METRO CAPITAL FUND</b>			
Operating Expenses (PS & M&S)	\$576,279	\$22,000	\$598,279
Capital Outlay	4,077,500	298,000	4,375,500
Interfund Transfers	500	0	500
Contingency	1,217,152	0	1,217,152
Unappropriated Balance	4,169,838	0	4,169,838
<b>Total Fund Requirements</b>	<b>\$10,041,269</b>	<b>\$320,000</b>	<b>\$10,361,269</b>

*The Current and Amended Columns do not reflect the impacts of Ordinance No. 05-1090 or Ordinance No. 05-1096 (Supplemental Budget)*

*All Other Appropriations Remain as Previously Adopted*

Exhibit C  
Ordinance No. 05-1095

**Project Title:** Introduction to the Forest (GNW V) **Fund:** Zoo Capital Projects Fund

**Project Status:** Incomplete **Funding Status:** Funded **FY First Authorized:** 2003-04 **Department:** Oregon Zoo

**Project Number:** 512151 **Active:**  **Dept. Priority:** 1 **Facility:**  **Division:** Construction Maintenance

**Source Of Estimate:** Preliminary **Source:**  **Start Date:** 9/04 **Date:** 11/6/2003

**Type of Project:** New **Request Type:** Initial **Completion Date:** 6/07 **Prepared By:** Sarah Chisholm

Project Estimates	Actual	Budget/Est	Prior						
Capital Cost:	Expend	2004-2005	Years	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	Total
Construction	\$0	\$200,000	\$200,000	\$2,098,000	\$0	\$0	\$0	\$0	\$2,298,000
<b>Total:</b>	\$0	\$200,000	\$200,000	\$2,098,000	\$0	\$0	\$0	\$0	\$2,298,000

Funding Source:									
Other - Interest Earnings	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000
Fund Balance - Capital Reserve	\$0	\$200,000	\$200,000	\$1,650,000	\$0	\$0	\$0	\$0	\$1,850,000
Donations	\$0	\$0	\$0	\$398,000	\$0	\$0	\$0	\$0	\$398,000
<b>Total:</b>	\$0	\$200,000	\$200,000	\$2,098,000	\$0	\$0	\$0	\$0	\$2,298,000

**Annual Operating Budget Impact:**

**Annual Expenditures**

Materials and Services	\$5,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$85,000
Subtotal, Expenditures:	\$5,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$85,000
<b>Net Operating Contribution (Cost):</b>	(\$5,000)	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)	(\$85,000)

**Project Description / Justification:** **Estimated Useful Life (yrs)** 30 **First Full Fiscal Year of Operation:** 2006-07

Two major exhibits were planned for the next phase of the Great Northwest Project. The first is the Introduction to the Forest, which will include black bears, cougars, and bobcats, and is scheduled to open in the spring of 2006. The second exhibit is the Remote Forest, which was planned to include lynx, wolverines, spotted owl, and wolves, but has been put on hold due to funding constraints. The completion of the Introduction to the Forest will mark the completion of the connecting pathway between the Mountain Goat exhibit and the Family Farm exhibit.

Exhibit C  
Ordinance No. 10-1095

<b>Project Title:</b> Primate Building		<b>Fund:</b> Zoo Capital Projects Fund	
<b>Project Status:</b> Incomplete	<b>Funding Status:</b> Funded	<b>FY First Authorized:</b> 1998-99	<b>Department:</b> Oregon Zoo
<b>Project Number:</b> ZO05	<b>Active:</b> <input checked="" type="checkbox"/>	<b>Dept. Priority:</b> 3	<b>Division:</b> Construction Maintenance
<b>Source Of Estimate:</b> Preliminary	<b>Source:</b>	<b>Start Date:</b> 7/00	<b>Date:</b> 10/15/2003
<b>Type of Project:</b> Replacement	<b>Request Type:</b> Continuation	<b>Completion Date:</b> 6/09	<b>Prepared By:</b> Sarah Chisholm

Project Estimates	Actual	Budget/Est	Prior						
Capital Cost:	Expend	2004-2005	Years	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	Total
Construction	\$724,414	\$0	\$724,414	\$200,000	\$0	\$500,000	\$300,000	\$0	\$1,724,414
<b>Total:</b>	\$724,414	\$0	\$724,414	\$200,000	\$0	\$500,000	\$300,000	\$0	\$1,724,414

Funding Source:									
Fund Balance - Capital Reserve	\$724,414	\$0	\$724,414	\$0	\$0	\$0	\$0	\$0	\$724,414
Donations	\$0	\$0	\$0	\$200,000	\$0	\$500,000	\$300,000	\$0	\$1,000,000
<b>Total:</b>	\$724,414	\$0	\$724,414	\$200,000	\$0	\$500,000	\$300,000	\$0	\$1,724,414

**Annual Operating Budget Impact:**

<b>Project Description / Justification:</b>	<b>Estimated Useful Life (yrs)</b> 25	<b>First Full Fiscal Year of Operation:</b> 2009-10
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Refurbishes existing primate facility constructed in 1950s, including many of its component parts, and makes various improvements to make facility more visitor friendly. The emphasis of the funding has changed from more of an infrastructure approach to one of redesign and upgrade of exhibits - adding more design elements, such as artificial rockwork and trees, water features, and expanding the species list to include reptiles and birds.

Project will include reroofing, replacement of obsolete electrical equipment, skylights, hydraulics/doors, plumbing, installation of new boiler and irrigation system, and removal of asbestos.

## STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 05-1095, FOR THE PURPOSE OF AMENDING FY 2005-06 APPROPRIATIONS RECOGNIZING GRANTS AND DONATIONS TO THE OREGON ZOO, ADDING 2.00 LIMITED DURATION FTE; AND DECLARING AN EMERGENCY

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Date: September 13, 2005

Prepared by: Brad Stevens

### BACKGROUND

The Oregon Zoo has received several grants and donations for the 2005-06 fiscal year that were not in the forecast when the budget was presented and adopted. The intent of this Ordinance is to recognize the new revenues, increase expenditure authority, and create two new limited duration FTEs to carry out the requirements of the projects listed below.

#### *Black Bear Ridge – Cascade Canyon Trail*

In June, the Oregon Zoo Foundation held its summer gala, Zoolala: Big Mountain Boogie. The event raised \$120,000 to go toward the construction of the Black Bear Ridge portion of the new Cascade Canyon Trail exhibit. Cascade Canyon is a major capital construction project, adding regional habitat exhibits to the Oregon Zoo. The project showcases northwest forest-edge animals, including Black Bear. This amendment would recognize an additional \$120,000 in donations with a corresponding increase to capital appropriations and to personal services for temporary staff working on the exhibit.

<i>Metro Capital Fund – Oregon Zoo Capital Projects</i>	
<i>Revenues</i>	
Donations and Bequests	\$120,000
<i>Expenditures</i>	
Personal Services	\$22,000
Buildings and Related (CIP)	\$98,000

#### *Primate Building Renewal & Replacement*

The Oregon Zoo Foundation has agreed to provide additional donations to refurbish the aging Primate Building. This amendment recognizes \$200,000 in donations not included in the 2005-06 budget, specifically for Primate Building renovation. The building, originally constructed in the 1950s, is showing its age and is in need of updating. This funding will allow the zoo to upgrade several of the building's components and make improvements to enhance the visitor experience.

<i>Metro Capital Fund – Oregon Zoo Capital Projects</i>	
<i>Revenues</i>	
Donations and Bequests	\$200,000
<i>Expenditures</i>	
Buildings and Related (CIP)	\$200,000

### ***Vehicle Replacement***

Several of the vehicles in the Zoo's aging fleet are at the end of their useful life and due for replacement. The Oregon Zoo Foundation has agreed to provide an additional \$100,000 in donations to replace some of the more badly worn vehicles.

<b><i>General Fund – Oregon Zoo</i></b>	
<b><i>Revenues</i></b>	
Donations and Bequests	\$100,000
<b><i>Expenditures</i></b>	
Equipment and Vehicles (Non-CIP)	\$100,000

### ***Train Wheelchair Lift Replacement***

A generous grant of \$12,000 from the Marie Crowley Foundation will allow the Oregon Zoo to replace the antiquated wheelchair lifts on the historic Zoo railway. The new ADA-approved lifts, similar to those used on mass transit buses and trains, will include restraint belts, rollstops, and standee handrails.

<b><i>General Fund – Oregon Zoo</i></b>	
<b><i>Revenues</i></b>	
Donations and Bequests	\$12,000
<b><i>Expenditures</i></b>	
Railroad Equipment & Facilities (Non-CIP)	\$12,000

### ***Mobile Animal Restraint***

The Oregon Zoo Foundation has raised additional donations for the acquisition of a new mobile animal restraint. This device will allow staff to safely perform procedures on tigers and other animals at the zoo.

<b><i>General Fund – Oregon Zoo</i></b>	
<b><i>Revenues</i></b>	
Donations and Bequests	\$10,200
<b><i>Expenditures</i></b>	
Equipment and Vehicles (Non-CIP)	\$10,200

### ***Exhibit Renovation***

Through the Oregon Zoo Foundation, a \$54,250 donation has been received from an individual donor specifically for the renovation of existing exhibits. Zoo staff is currently reviewing exhibit renovation needs to determine the best use for these funds.

<b><i>General Fund – Oregon Zoo</i></b>	
<b><i>Revenues</i></b>	
Donations and Bequests	\$54,250
<b><i>Expenditures</i></b>	
Buildings and Related (Non-CIP)	\$54,250

***Farm Animal Care Team – IMLS Grant***

The Oregon Zoo has been awarded a grant from the Institute of Museum and Library Services. This two-year, \$150,000 grant will be used to fund the Zoo’s new Farm Animal Care Team (FACT) program.

Drawing from many years of success with its ZooTeen program, the Oregon Zoo will take youth programming to the next level. Its plan for the Trillium Creek Family Farm staffing represents a significant departure from the way many other zoos have run their farm exhibits. Instead of having adult staff supervise and coordinate the efforts of volunteer assistants, the Oregon Zoo envisions that its farm exhibit will be operated in a brand new way – ultimately, to be managed and run entirely by teenagers. Oregon Zoo animal care and education staff will serve as consultants to assist teens on an “as-needed” basis.

Grant funding will be used to add two limited duration FTEs in the position of Program Assistant I for operation of the Trillium Creek Family Farm youth intern program. The plan to have the Trillium Creek Family Farm become an operation that is directed by a cadre of trained youth interns requires a period of development to build the program structure and content and to establish the base corps of trained youth to start a self-perpetuating program. Two Program Assistants are necessary to provide seven-day-a-week coverage for the farm and necessary days of double coverage to build and coordinate the program activities and materials. After two years, the trained youth interns will assume most of the operational responsibilities for the program.

This amendment recognizes an additional \$72,883 in grant revenue for the 2005-06 fiscal year with a corresponding increase to personal services expenditures. The amendment also adds two limited duration FTEs to the 2005-06 budget. These FTEs are limited to the two-year duration of the grant funding for the program.

<b><i>General Fund – Oregon Zoo</i></b>	
<b><i>Revenues</i></b>	
Federal Grants - Direct	\$72,883
<b><i>Expenditures</i></b>	
Personal Services	\$72,883

## **ANALYSIS/INFORMATION**

- 1. Known Opposition:** None known
- 2. Legal Antecedents:** ORS 294.326(3) provides an exemption to Oregon Budget Law allowing for the expenditure in the year of receipt of grants, gifts and bequests received by a municipal corporation in trust for a specific purpose.
- 3. Anticipated Effects:** This action allows the department to recognize the grants and donations dedicated to the projects described in this staff report, create two limited duration FTEs, and make expenditures to fulfill the terms of the grant or donations.
- 4. Budget Impacts:** This action requests the recognition of \$569,333 in Federal Direct Grants and private contributions, according to Exhibit A. This action also increases appropriation authority in the General Fund Expenditures by \$249,333 and in the Metro Capital Fund by \$320,000 as described in Exhibit B Schedule of Appropriations. This amendment also adds two limited duration FTEs to the 2005-06 budget.

## **RECOMMENDED ACTION**

The Chief Operating Officer recommends adoption of this Ordinance.

**Due to the size of this document, Ordinance No. 05-1077C a .pdf document is available on the Metro website on September 26, 2005:  
(<http://www.metro-region.org/article.cfm?articleid=13806>)**



BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF STATING AN INTENT TO SUBMIT ) RESOLUTION NO. 05-3612  
TO THE VOTERS THE QUESTION OF THE )  
ESTABLISHMENT OF A FUNDING MEASURE TO SUPPORT ) Introduced by  
NATURAL AREA AND WATER QUALITY PROTECTION ) Metro Council President  
AND ESTABLISHING A BLUE RIBBON COMMITTEE; AND ) David Bragdon  
SETTING FORTH THE OFFICIAL INTENT OF THE METRO )  
COUNCIL TO REIMBURSE CERTAIN EXPENDITURES OUT )  
OF THE PROCEEDS OF OBLIGATIONS TO BE ISSUED IN )  
CONNECTION WITH THE REGIONAL PARKS AND )  
GREENSPACES PROGRAM )

WHEREAS, the Metro Council has taken a leadership role in identifying natural areas in the region and working for their protection; and

WHEREAS, in May 1995 regional voters approved a \$135.6 million Open Spaces, Parks and Streams Bond Measure (1995 Open Spaces Bond Measure) with a stated goal of acquiring land in 14 of the 57 regional natural areas identified in the Greenspaces Master Plan and six of the 34 regional trails and greenways identified in the Greenspaces Master Plan; and

WHEREAS, the implementation of the 1995 Open Spaces Bond Measure has been successfully completed and the Metro Council has acquired, to date, over 8,100 acres (3,278 hectares) of open spaces in 14 target areas and 6 trails and greenways, and has protected 74 miles (119 kilometers) of stream and river frontage, greatly surpassing the 6,000-acre (2,428 hectares) minimum acquisition goal identified in the 1995 Open Spaces Bond Measure; and

WHEREAS, the challenge should be considered on-going and the 1995 Open Spaces Bond Measure was intended to acquire only a fraction of most of the natural areas identified as worthy of protection, and with growth continuing to occur in the region, there is a continuous need to acquire additional natural areas to provide a growing population with opportunities for outdoor recreation, and to protect the region's air and water quality, and to preserve fish and wildlife habitat; and

WHEREAS, the Metro Policy Advisory Committee (MPAC), composed of elected officials representing local governments, adopted a "Vision Statement" in 2000 to enunciate the region's commitment to improve the ecological health and functionality of the region's fish and wildlife habitat; and

WHEREAS, on April 25, 2001, MPAC unanimously adopted the Final Report of its Parks Subcommittee which, among other things, noted the need for additional land acquisition for parks and open spaces beyond the scope of the 1995 bond measure; and

WHEREAS, on December 9, 2004 the Metro Council adopted Resolution No. 04-3506A, "For the Purpose of Revising Metro's Preliminary Goal 5 Allow, Limit, or Prohibit Decision; and Directing the Chief Operating Officer to Develop a Fish and Wildlife Habitat Protection and Restoration Program That Relies on a Balanced Regulatory and Incentive Based Approach," in which the Metro Council resolved to take before the voters by November 2006 a an open spaces acquisition bond measure that included authorization to acquire regionally significant fish and wildlife habitat from willing sellers; and

WHEREAS, on May 12, 2005, the Metro Council adopted Resolution No. 05-3574A “Establishing a Regional Habitat Protection, Restoration and Greenspaces Initiative Called Nature In Neighborhoods” (“Nature In Neighborhoods Initiative”); and the Nature in Neighborhoods Initiative calls for region-wide habitat protection using a variety of means, including acquisition of critical fish and wildlife habitat from willing sellers and restoration of key wetland, streamside and upland sites; and

WHEREAS, the Nature In Neighborhoods Initiative specifically calls for the Metro Council to place a bond measure before the voters in 2006 that would provide public funds to acquire critical fish and wildlife habitat from willing sellers in the urban area; and

WHEREAS, the Metro Council is planning to undertake a program consisting of the protection of land and property interests to be preserved as natural areas, rivers and streams, open spaces, and parks, and the construction and installation of certain improvements and the undertaking of certain restoration measures in connection therewith as described herein (collectively, the “Project”); and

WHEREAS, the Metro Council is authorized under the laws of the State of Oregon and the Metro Charter to issue bonds and other obligations for the purpose of providing long-term financing for the Project; and

WHEREAS, pending the issuance of and the availability of the proceeds from the issuance and sale of such bonds and other obligations, some expenditures will be made in connection with the Project that have been and will be paid on an advance basis, with the expectation and intent that Metro will be reimbursed for all such advances out of the proceeds of the bonds and obligations as and when the same are issued; and

WHEREAS, United States Treasury Regulation 1.150-2 requires issuers of tax-exempt bonds to declare their intention if the issuers intend to use bond proceeds to reimburse expenditures that are initially funded from other sources;

NOW, THEREFORE, BE IT RESOLVED BY THE METRO COUNCIL THAT,

1. The Metro Council hereby states its intent to submit to the voters of the region a general obligation funding measure to protect habitat, river and stream frontages, and natural areas, through open space acquisition, restoration, and development. This measure shall be included on either the primary or general election ballot no later than November 2006;
2. The Metro Council reasonably expects that the general obligation bonds that Metro will submit to the voters shall be in an amount between \$135-\$270 million, which ultimate amount shall be later determined by resolution of the Metro Council after considering recommendations as set forth herein;
3. The Metro Council hereby states its intent and commitment that the measure state that the bond funds shall not be used to condemn land, and that all land acquisitions with these bond funds shall be on a “willing seller” basis;
4. Metro Council staff is directed to consult with local governments, interested individuals and groups regarding their local open spaces needs and for recommendations for the bond measure amount, and return to the Metro Council by December 15, 2005 with a specific recommendation;

5. The Metro Council hereby establishes a Blue Ribbon Committee composed of civic leaders, and the Council President hereby appoints and the Council hereby confirms the Blue Ribbon Committee Chair and committee members as set forth in Exhibit A attached hereto and incorporated herein;
6. The Blue Ribbon Committee shall meet 3 to 4 times between now and December 1, 2005, with administrative and technical support from the Metro staff, and the committee shall advise and make recommendations to the Metro Council regarding aspects of the bond measure program including the size of the bond, "local share," "opportunity fund," "target areas," and other basic program components as set forth in Exhibit B attached hereto and incorporated herein, and shall return to the Metro Council by December 15, 2005 with specific recommendations;
7. Metro Council staff is further directed to work on obtaining options to purchase specific properties approved by Council, compile factual and scientific information, and engage in all other preliminary work associated with the Project and the funding proposal contemplated herein;
8. The Metro Council reasonably expects to reimburse certain expenditures described herein with the proceeds of bonds or other obligations that Metro expects to issue in the future (the "Reimbursement Bonds"), and that Metro shall be the Issuer or Conduit Buyer;
9. The pre-bond measure expenditures that the Metro Council reasonably expects to reimburse from the proceeds of Reimbursement Bonds have been, or will be, made from the Metro General Fund and the Metro Regional Parks Operating Fund in connection with the design, planning, and feasibility of the Project, and with acquiring, constructing and installing the Project;
10. Metro does not expect to issue more than \$1 million of Reimbursement Bonds to finance the pre-bond measure expenditures described herein; and
11. The Metro Council hereby delegates to the Metro Chief Financial Officer the authority to make future reimbursement declarations on behalf of Metro pursuant to Treasury Regulation 1-150-2 or any replacement law.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
David Lincoln Bragdon, Council President

Approved as to Form:  
Daniel B. Cooper, Metro Attorney

\_\_\_\_\_  
By: Alison Kean Campbell  
Senior Metro Attorney

Exhibit A  
Resolution 05-3612

**Blue Ribbon Committee**

The following individuals have been appointed by the Metro Council President and are hereby confirmed by the Metro Council to serve on the Blue Ribbon Committee from September 29 through December 15, 2005:

- Fred Miller, Chair
- Nawzad Othman
- Sara Vickerman
- Charles Jordan
- Fred Bruning
- Patricia McCaig
- Larry Sitz
- Randolph Miller
- Ashleigh Flynn
- John Griffiths
- Mike Houck
- Don Morissette
- Lori Luchak
- Dick Cantlin
- Dilafruz Williams
- Hans Van De Meer
- Carol Dillon
- Lynn Lehrbach
- *Debbie Craig STILL PENDING*

Exhibit B  
Resolution 05-3612

The Metro Council is asking the Blue Ribbon Committee to serve on a short term basis, beginning in early October and concluding by December 1, 2005, meeting 3 to 4 times to analyze the current opportunities for the continuation of a willing seller acquisition program and related investments for the health of our rivers, streams and most critical habitats. Metro Parks staff will serve as technical and administrative support to the committee and provide background information, including a detailed public survey on these issues which was recently conducted.

The Committee will advise the Council on the following specific questions:

- a. How large should the measure be, within a range of \$135-270 million?
- b. How much of the bond should be dedicated to the “local share per capita” component, as implemented under the 1995 measure (it being the Council’s preliminary sentiment that the local share per capita amount be approximately double the 1995 amount of \$25 million)?
- c. How much of the “local share per capita” should be distributed through a competitive grant process where a broad range of community groups would be eligible to receive local share funds to implement habitat protection and enhancement projects at the neighborhood level: non-profits, watershed councils, neighborhood associations, etc.? This competitive fund could be set up to require matching funds, community partners and other incentives to expand this public investment.
- d. Which specific regional “target areas” should be prioritized for future acquisition? The identification of specific target areas was a cornerstone of the 1995 measure, and led to greater focus and strategic outcome. Metro Council staff recently has been working with leading biologists throughout the region to examine the natural areas inventory work undertaken by the Metro Council over the past few years, and identify specific areas that might be opportune for protection. The findings of the interviews being conducted with local biologists will be reviewed by the Blue Ribbon Committee to inform their discussion.

Following the completion of the Blue Ribbon Committee’s work by December 1, 2005, they will issue their recommendations about the measure to the Metro Council. The Council will then ask the community at large to review and comment on those recommendations, with specific feedback from Metro’s Greenspaces Policy Advisory Committee (GPAC), local jurisdictions, and the community at large. This public review will continue until the Council makes its final referral of the measure to the voters on approximately March 1, 2006 for inclusion on the November 2006 ballot.

## **STAFF REPORT**

IN CONSIDERATION OF RESOLUTION NO. 05-3612 FOR THE PURPOSE OF STATING AN INTENT TO SUBMIT TO THE VOTERS THE QUESTION OF THE ESTABLISHMENT OF A FUNDING MEASURE TO SUPPORT NATURAL AREA AND WATER QUALITY PROTECTION AND ESTABLISHING A BLUE RIBBON COMMITTEE; AND SETTING FORTH THE OFFICIAL INTENT OF THE METRO COUNCIL TO REIMBURSE CERTAIN EXPENDITURES OUT OF THE PROCEEDS OF OBLIGATIONS TO BE ISSUED IN CONNECTION WITH THE REGIONAL PARKS AND GREENSPACES PROGRAM

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Date: September 13, 2005

Prepared by: Jim Desmond  
Chris Carlson

### **BACKGROUND**

In 1992, the Metro Council adopted the Metropolitan Greenspaces Master Plan, which identified 57 regionally significant natural areas and 34 regional trails and greenways, and stated that it was an important policy goal to protect such areas.

The voters of the region funded the first installment of this effort by passing a \$135.6 million Open Spaces, Parks and Streams Bond Measure in May 1995, which directed the Metro Council to purchase land for purposes of protection and potential public access in 14 of the many regionally significant natural areas and 6 of the trails and greenways, and provide funding directly to local jurisdictions and park providers to fund acquisitions and capital improvements related to natural areas in local communities.

With proceeds from the Metro 1995 Bond Measure, the Metro Council has acquired over 8,100 acres (3,278 hectares) of natural areas, trails and fish and wildlife habitat, exceeding the 6,000-acre (2,428 hectare) goal stated in the bond measure. This was considered a first step, as the authority and scope of the 1995 Bond Measure was not anticipated to be sufficient to acquire all natural areas in the region determined to be worthy of protection. In order to provide the burgeoning population of the region with opportunities for outdoor recreation, and to protect fish and wildlife habitat, and the region's air and water quality, it is necessary to take the next step now and continue to acquire additional natural areas.

In 2000, a "Vision Statement" was adopted by the Metro Policy Advisory Committee (MPAC), which is made up of elected officials of the cities and counties of the region. The document stated the region's commitment to improve the ecological health of fish and wildlife habitat.

In 2001, MPAC unanimously adopted the Final Report of its Parks Subcommittee. Stated in the report was a need for additional land acquisition for open spaces and parks beyond the scope of the 1995 Bond Measure. Acting through MPAC, the local cities and park districts of the region urged the Metro Council to extend this effort.

In December, 2004, the Metro Council adopted Resolution No. 04-3506A "For the Purpose of Revising Metro's Preliminary Goal 5 Allow, Limit, or Prohibit Decision; and Directing the Chief Operating Officer to Develop a Fish and Wildlife Habitat Protection and Restoration Program that Relies on a Balanced Regulatory and Incentive Based Approach," which resolved to develop and take before the voters a fish and wildlife habitat protection, acquisition and restoration program bond measure by November 2006.

In 2003, the Council established a Greenspaces Policy Advisory Committee (GPAC) and in May, 2005, GPAC forwarded a draft vision for the region's greenspaces which was accepted by the Metro Council after receiving favorable reaction from the local governments at MPAC. GPAC, constituted of leading parks professionals and advocates, has articulated an inspiring broad vision for the region's natural areas which includes public land acquisition as one component.

Any measure that the Metro Council would refer to the voters for land acquisition would be operated strictly on a "willing seller" (i.e. no condemnation) basis, and the land would be preserved as natural areas, open spaces, and parks. The measure would include provisions for certain capital improvements and restoration efforts. As in the 1995 measure, some funds would be distributed directly to local jurisdictions.

Metro Council will consult with local governments, interested individuals and non-profit groups regarding open spaces needs and for recommendations for the bond measure amount. GPAC will continue to be vital in this process. The Metro Council will also establish a Blue Ribbon Committee composed of civic leaders, which will make recommendations to the Metro Council regarding aspects of the bond measure program including the size of the measure, "local share," "opportunity fund," "target areas" and other basic program components.

The bond issue amount to be included in the ballot referral is currently estimated at \$135 million to \$270 million. For purposes of this resolution, the estimate should be large enough to cover the maximum possible estimated cost of the project. The final bond amount will be determined after the Metro Council reviews and considers recommendations first from the Blue Ribbon Committee, then from Metro's Greenspaces Policy Advisory Committee (GPAC), the local jurisdictions and the community at large.

The Blue Ribbon Committee will be formed for the limited purpose of advising the Metro Council on the basic elements of the bond, as outlined above. They will meet 3 to 4 times between now and December 1, 2005, with administrative and technical support from Metro staff. The recommendations of the Blue Ribbon Committee will be forwarded to Metro Council by December 15, 2005.

Internal Revenue Service (IRS) Regulations allow issuers of municipal debt to reimburse themselves for certain preliminary expenditures incurred to develop and design projects which will be refinanced through the issuance of debt financing. Out of the total bond measure amount, pre-bond measure reimbursable expenses as defined by the IRS are estimated to be less than \$1 million, as stated in the Resolution. Before reimbursable costs are incurred, however, the issuer must adopt a resolution of intent to reimburse itself, which is why this intent to reimburse is set forth in the Resolution.

## **ANALYSIS/INFORMATION**

**1. Known Opposition:** None

**2. Legal Antecedents:** Under the laws of the State of Oregon (ORS Chapter 288) and the Metro Charter (Sections 10 and 12), Metro is authorized to issue bonds and other obligations for the purpose of providing long-term financing for the project subject to voter approval. To fund this acquisition effort, the Metro Council would refer to the voters of the region a General Obligation Bond Measure in November 2006.

Resolution No. 92-1637 "For the Purpose of Considering Adoption of the Metropolitan Greenspaces Master Plan".

Resolution No. 94-2011A “For the Purpose of Submitting to the Voters a General Obligation Bond Indebtedness in the Amount of \$138.80 Million to Proceed with the Acquisition of Land for a Regional System of Greenspaces.”

Resolution No. 04-3506A “For the Purpose of Revising Metro’s Preliminary Goal 5 Allow, Limit or Prohibit Decision, and Direct the Chief Operating Officer to Develop a Fish and Wildlife Habitat Protection and Restoration Program,” in which the Metro Council resolves to develop and take before the voters by November 2006 an open spaces acquisition bond measure that includes authorization to acquire regionally significant fish and wildlife habitat from willing sellers.

**3. Anticipated Effects:** The program will continue acquisition in the Metro region with a focus on remaining regionally significant natural areas, including properties adjacent to rivers and streams, and on other properties within the target areas identified by local jurisdictions, the Blue Ribbon Committee and the public. A regional restoration effort for fish and wildlife lands would be initiated. Acquisition and/or construction of regional trail corridors would occur. A local share component would exist (% to be determined) and criteria be established for use of local share bond funds. A challenge matching grant component could be established for local governments, non-profits and other community groups to purchase land or complete capital improvement projects based on established criteria.

**4. Budget Impacts:** Budget has been established in the 2005-06 Fiscal Year for pre-bond measure reimbursable expenses of \$215,136. This includes expenses related to public information dissemination, ads and legal notices, legal fees (bond counsel) and real estate options, and associated staffing efforts. In FY 2006-07, anticipated expenses include the cost of the election, and financial planning and bond counsel services related to issuance of debt.

## **RECOMMENDED ACTION**

Chief Operating Officer Michael J. Jordan recommends passage of Resolution No. 05-3612.



BEFORE THE METRO COUNCIL

**FOR THE PURPOSE OF APPROVING AN INVESTMENT BY THE METRO TOURISM OPPORTUNITY AND COMPETITIVENESS ACCOUNT (MTOCA) TO FUND THE REPLACEMENT OF THE AUDIO VISUAL HEAD END ROOM EQUIPMENT AT THE OREGON CONVENTION CENTER** ) RESOLUTION NO. 05- 3613  
)  
) Introduced by Michael Jordan COO in concurrence with Council President Bragdon

WHEREAS, on May 20, 2004, the Metro Council passed Ordinance No. 04-1052, increasing the excise tax on solid waste by \$.50 per ton; and

WHEREAS, the proceeds from this tax are allocated to the Metro Tourism Opportunity and Competitiveness Account (“MTOCA”), to be used to maximize the competitiveness, financial viability, economic impact, and continued success of the Oregon Convention Center; and

WHEREAS, on October 7, 2004, the Metro Council passed Resolution No. 04-3494A, which adopted MTOCA Policy And Guidelines; and

WHEREAS, in Resolution No. 04-3494A, the Metro Council directed the MERC Commission to submit proposals for funding the goals and strategies listed in the adopted MTOCA Policy And Guidelines, with priority given to those under Goal Number 1, which includes expending funds to obtain an operational advantage for the Oregon Convention Center; and

WHEREAS, the 2005-2006 adopted budget includes a transfer of \$636,208 from MTOCA to MERC’s Pooled Capital Fund; and

WHEREAS, in Resolution No. 04-3494A, the Metro Council stated its desire that annual requests for appropriations from MTOCA be set out for discussion, consideration, and action in a manner separate and discrete from general budget process; and

WHEREAS, at its public meeting on August 4, 2005, the MERC Commission Budget Committee approved a recommendation from staff that the Oregon Convention Center audio visual head end room equipment be replaced at a total estimated cost of \$985,000, and that the MERC Commission recommend to the Metro Council that \$636,208 of the cost be funded by the MTOCA; and

WHEREAS, at its public meeting on August 24, 2005, the MERC Commission adopted Resolution 05-19 recommending to the Metro Council that the Oregon Convention Center audio visual head end room equipment be replaced with an investment of \$636,208 from MTOCA, along with additional funding from the MERC Pooled Capital Fund, for a total estimated cost of \$985,000; and

WHEREAS, replacing the audio visual head end room equipment in the original part of the convention center will create a total system control center for the entire audio visual system by upgrading an antiquated system that can no longer be serviced or maintained, and will provide customers with a quality sound and video system and services for their event needs throughout the facility; and

WHEREAS, the MERC Commission recommends that the Metro Council approve the expenditure of the previously appropriated \$636,208 from MTOCA on the replacement of the audio visual head end room equipment, with the remaining estimated cost of \$348,792 to be funded by the MERC Pooled Capital Fund.

**BE IT THEREFORE RESOLVED** that the Metro Council approve the expenditure of \$636,208 in MTOCA funding, previously budgeted as a transfer during the general budget process from MTOCA to the MERC Pooled Capital Fund, on the replacement of the Oregon Convention Center audio visual head end room, with the remaining funding of \$348,792 drawn from the MERC Pooled Capital Fund.

ADOPTED by the Metro Council this 29th day of September, 2005

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David Bragdon, Council President

Approved as to Form:

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Daniel B. Cooper, Metro Attorney

## STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 05-3613 FOR THE PURPOSE OF APPROVING AN INVESTMENT BY THE METRO TOURISM OPPORTUNITY AND COMPETITIVENESS ACCOUNT (MTOCA) TO FUND THE REPLACEMENT OF THE AUDIO VISUAL HEAD END ROOM EQUIPMENT AT THE OREGON CONVENTION CENTER

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Date: September 29, 2005

Prepared by: Jeff Blosser and Kathy Taylor

## BACKGROUND

The Metro Council has approved a Policy and Guidelines for establishing a process and criteria for proposed investments from the Metro Tourism and Opportunity and Competitiveness Account. The MERC Budget Committee discussed the Goals and Strategies identified in the Policy and Guidelines and recommended to the MERC Commission investment in **Goal #1 Targeted Capital Investments in the Oregon Convention Center's physical plant that yield demonstrable marketing advantages, Strategy B: OCC Operational Advantage.** The Metropolitan Exposition-Recreation Commission adopted resolution 05-19 at the August 24, 2005 Commission meeting which supports the budget committee recommendation.

The Oregon Convention Center audio/visual head end room equipment, located in the original building, is failing. The head end room is the control center for the AV system including sound, video and recording capabilities and the controls to operate the system. Because the system is analog replacement parts are no longer available. Halls A, A1 and corresponding meeting rooms are totally inoperable and Hall B and B and C meeting rooms have only intermittent service. During 2003, a digital AV system costing \$1.1 million was installed in the new expansion. It was anticipated that the original AV equipment in the existing facility would be replaced during expansion. The project was not completed due to funding shortfalls. This proposal would extend that same system technology to the original structure and tie the entire system together for better overall service, labor reductions and quality sound in all areas of the facility.

## ANALYSIS/INFORMATION

1. **Known Opposition** None
2. **Legal Antecedents** Resolution No. 04-3494A, the Metro Council directed the MERC Commission to submit proposals for funding the goals and strategies listed in the adopted MTOCA Policy And Guidelines, with priority given to those under Goal Number 1, which includes expending funds to obtain an operational advantage for the Oregon Convention Center; and
3. **Anticipated Effects** This proposal would extend that same system technology to the original structure and tie the entire system together for better overall service, labor reductions and quality sound in all areas of the facility.
4. **Budget impacts** See attached Metropolitan Exposition-Recreation Commission Staff Report.

## RECOMMENDED ACTION

The Chief Operating Officer, in concurrence with the Council President recommends adoption of this resolution.

# Metro Tourism Opportunity and Competitiveness Account

## Oregon Convention Center Pooled Capital Fund

### Resolution No. 05-3613 Attachment 1

	<u>2004-05</u>		<u>2005-06</u>
<b>Resources</b>			
Beginning Balance	-0-		505,400
Excise Tax from Metro	504,000	A	636,208
Excise Tax from Metro, adjust to actual collections (estimate)	30,000		
Intra-fund transfer from Expo to OCC		C	330,458
OCC Pooled Capital fund balance			206,000
Business Energy Tax Credits (BETC)	-		150,000
<b>Total Resources</b>	<b><u>534,000</u></b>		<b><u>1,828,066</u></b>

### Requirements

#### Green Building LEED Certification (Goal 1 Strategy A)

Retrofit existing building to meet LEED standards

Rebuild chiller units and ventilation noise abatement	B	28,600	B	688,000
Replace 198 Toilet/Urinals (auto flush)			B	125,000

#### Audio Visual Head End Room - original building (Goal 1 Strategy B)

Replace analog system in original building due to failure and lack of replacement parts.

985,000

#### **Total Requirements**

**28,600**

**1,798,000**

### Ending Balance (Resources less Requirements)

**505,400**

**30,066**

A *Budget amount for 2005-06.*

B *Upgrade chillers in the existing building to meet environmental standards. The original concept to replace chillers was subsequently determined to be more costly than a retrofitting. The original estimate was \$1,215,000, savings from rebuilding is \$536,400.*

C *Fund Balance borrowed from Expo will be repaid from future year Pooled Capital Fund balance or transfer.*

### MTOCA Goals

Goal 1 Targeted capital investments in the Oregon Convention Center's physical plant that yield demonstrable marketing advantages.

Strategy A -- Green Building LEED Certification

Strategy B -- OCC Operational Advantage

Strategy C -- Headquarters Hotel Related Investments

Goal 2 Assist the Visitor Development Fund with Oregon Convention Center Facility Costs.

Strategy A -- Offset Facility Costs when VDI allocation not fully funded

Goal 3 Maintain the Oregon Convention Center in First Class Condition

Strategy A -- Ensure sufficient funds for basic OCC cleaning, maintenance, and event service.

**MERC Staff Report**  
**Resolution No. 05-3613**  
**Attachment 2**

**Agenda Item/Issue:** For the Purpose of Submitting To The Metro Council A Proposal To Fund The Replacement of the Oregon Convention Center Audio Visual Head End Room Equipment With An Investment of \$636,208 From The Metro Tourism Opportunity and Competitiveness Account (MTOCA).

**Resolution No.:** 05-19

**Presented By:** Jeffrey A. Blosser &  
Kathy Taylor

**Date:** August 24, 2005

**Background and Analysis:** The Metro Council has approved a Policy and Guidelines for establishing a process and criteria for proposed investments from the Metro Tourism and Opportunity and Competitiveness Account. The MERC Budget Committee discussed the Goals and Strategies identified in the Policy and Guidelines and is recommending investment in **Goal #1 Targeted Capital Investments in the Oregon Convention Center's physical plant that yield demonstrable marketing advantages, Strategy B: OCC Operational Advantage**

The Oregon Convention Center audio/visual head end room equipment, located in the original building, is failing. The head end room is the control center for the AV system including sound, video and recording capabilities and the controls to operate the system. Because the system is analog replacement parts are no longer available. Halls A, A1 and corresponding meeting rooms are totally inoperable and Hall B and B and C meeting rooms have only intermittent service. During 2003, a digital AV system costing \$1.1 million was installed in the new expansion. It was anticipated that the original AV equipment in the existing facility would be replaced during expansion. The project was not completed due to funding shortfalls. This proposal would extend that same system technology to the original structure and tie the entire system together for better overall service, labor reductions and quality sound in all areas of the facility.

**Fiscal Impact:**

- A. Expenditure:** \$985,000 to replace the audio/visual head end room equipment in the original building. The appropriation for this project is included in the 2005-06 adopted budget.
- B. Operating Impact:** Until replacement of the worn out system, temporary AV equipment is rented, installed and uninstalled. Depending on the length of rental, the cost for labor and equipment is \$300 to \$1,500 per use. Annually, this would have a negative impact of at least \$50,000 per year if the system has no more deterioration or failures. Further, temporary equipment may not meet customers' requirements.
- C. Funding:**
  - 1. The adopted budget includes a \$636,208 transfer from Metro's General Fund Tourism Opportunity & Competitiveness Fund to MERC's Pooled Capital
  - 2. The balance of \$348,792 will come from MERC Pooled Capital Fund Balance.

**Recommendation:** Staff recommends that the Metropolitan Exposition-Recreation Commission adopt Resolution 05-19, for the purpose of submitting to the Metro Council a proposal to fund the replacement of the Oregon Convention Center audio visual head end room equipment with an investment of \$636,208 from the Metro Tourism Opportunity and Competitiveness Account (MTOCA).

**METROPOLITAN EXPOSITION-RECREATION COMMISSION**

**Resolution No. 05-19**

**For the Purpose of Submitting To The Metro Council A Proposal To Fund The Replacement of the Oregon Convention Center Audio Visual Head End Room Equipment With An Investment of \$636,208 From The Metro Tourism Opportunity and Competitiveness Account (MTOCA).**

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**BE IT THEREFORE RESOLVED** that the MERC Commission recommends to the Metro Council that the Metro Council approve the expenditure of \$636,208 in MTOCA funding, previously budgeted during the general budget process, as a transfer from MTOCA to the MERC Pooled Capital Fund on the replacement of the Oregon Convention Center audio visual head end room equipment, with the remaining funding of \$348,792 drawn from the MERC Pooled Capital Fund.

Passed by the Commission on August 24, 2005

Approved as to Form:  
Daniel B. Cooper, Metro Attorney

\_\_\_\_\_  
Chair

By: \_\_\_\_\_

\_\_\_\_\_  
Secretary-Treasurer