

MINUTES OF THE METRO COUNCIL MEETING

June 22, 2000

Metro Council Chamber

Councilors Present: David Bragdon (Presiding Officer), Susan McLain (by phone), Ed Washington, Rod Park, Bill Atherton, Rod Monroe, Jon Kvistad

Councilors Absent: None

Deputy Presiding Officer Washington convened the Regular Council Meeting at 5:30 PM. Councilor McLain attended by telephone.

1. INTRODUCTIONS

Deputy Presiding Officer Washington introduced Commissioner Erik Sten from the City of Portland and Commissioner Diane Linn from Multnomah County.

2. CITIZEN COMMUNICATIONS

None

3. EXECUTIVE OFFICER COMMUNICATIONS

None

4. AUDITOR COMMUNICATIONS

None

5. MPAC COMMUNICATIONS

None.

6. CONSENT AGENDA

6.1 Consideration of minutes of the June 15, 2000 Regular Council Meeting.

Motion: **Councilor Kvistad** moved to adopt the meeting minutes of June 15, 2000 Regular Council meeting.

Seconded: **Councilor Monroe** seconded the motion.

Vote: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed.

7. ORDINANCES – FIRST READING

7.1 Removed from the agenda at the request of the REM Department.

8. RESOLUTIONS

8.1 **Resolution No. 00-2956A**, For the Purpose of Accepting the Regional Affordable Housing Strategy Recommended by the Affordable Housing Technical Advisory Committee Appointed by the Metro Council.

Motion: **Councilor Bragdon** moved to adopt Resolution No. 00-2956A.

Seconded: **Councilor Park** seconded the motion.

Deputy Presiding Officer Washington turned the gavel over to Presiding Officer Bragdon and read a statement regarding affordable housing into the record. (The substance of his introduction can be found in the staff report of this resolution, which is included in the meeting agenda packet.) He clarified that recommendations regarding real estate transfer tax were just that, recommendations. He noted this was an incredibly comprehensive document presented to the Council by a citizen's committee. He said this recommendation was directed toward local jurisdictions to engage the legislature to remove the prohibition against enactments of such a tax. He added that Metro's role, if any, was very far down the road and only after action by regional partners and the citizens of the region. He also noted that nothing in this report was enacted by this resolution. He said this report was a starting point and asked the Council to give it a chance.

Deputy Presiding Washington opened a public hearing on Resolution No. 00-2956A.

Diane Linn, Multnomah County Commissioner and Chair of H-TAC, said this was an attempt to get at some very difficult housing issues for the poorest of the poor, people with disabilities, and senior citizens. She said the committee recognized that there continued to be a need to address home ownership and 80-120% of median income housing that affected the lower end of the spectrum. She said this was a conservative approach and only about 10% of what they believed the need to be in the next 5 years. She reiterated that the concept of the real estate transfer tax came from the H-TAC committee, not from Metro staff or leadership in any way. She said they felt it was a critical issue to address.

Erik Sten, Commissioner, City of Portland, said this was a tremendous blueprint for action. He felt a regional strategy was the only way to solve the affordable housing problem. He said it laid out a series of actions and approaches that local jurisdictions could take. He said money was a big issue and part of the work of the committee was a search for funds. He said the one that made most sense to them was a real estate transfer tax, although state law would have to be changed. The committee felt it could work for the region. He said they would be having conversations with partners and legislators over the summer regarding this funding source.

Commissioner Linn concluded that many members of the committee were present and would be attending the reception after the meeting. She noted she had a letter of thanks for Councilor Washington for his hard work for the committee.

Mike Houck, Audubon Society of Portland and the Natural Resources Working Group, Coalition for a Livable Future, requested the Council adopt the strategy as written and to make sure that the financial resources were available to implement the plan as Commissioner Sten had already mentioned. He said the Audubon Society was testifying for affordable housing because they were trying to build whole livable communities, ecologically and socio-economically just and sustainable. He said they believed that the affordable housing strategy was an important tool to make that aspiration a reality.

David Cottenware, Portland Impact and Elders in Action, 2041 NW Everett, Portland, OR 97209, encouraged the council to accept this report. He noted there were over 260,000 elders living in this community who were still fighting for housing. He urged acceptance of the report.

Nancy Chapin, 4735 SE Flavel Dr., Portland, OR expressed concern about the real estate transfer tax. She read a letter from the Foster Area and 82nd Avenue Business Associations, concerning the transfer tax into the record (a copy of which may be found in the permanent record of this meeting).

Louis Hall, Elders in Action and the disability community, 1240 SW Columbia, #708, Portland, OR 97201 (Gretchen Kafoury Commons) said he was grateful to the Housing Authority of Portland for places like the Gretchen Kafoury Commons and saw it as a beginning of better housing for the disabled. He strongly supported acceptance of the resolution.

Leeanne MacColl, President of the League of Women Voters of the Columbia River Region, 2620 SW Georgian Pl., Portland, OR commended the H-TAC Committee and read a letter in support of the report into the record (a copy of which may be found in the permanent record of this meeting). She added that they would be reviewing the 12 month status report to see where each jurisdiction stood in its comprehensive plan analysis.

Micky Ryan, Oregon Law Center, 813 SW Alder, Suite 500, Portland OR 97205, representing low income Oregonians in a variety of legal problems. She requested the Council to accept the H-TAC report. She reminded the Council that there was a legal as well as moral obligation of the jurisdictions to house all of their citizens. She said this report was a wonderful way to help even the smallest jurisdiction understand and see the way to fulfill that obligation. She said it made great sense for Metro to stay involved so all of the jurisdictions could benefit from the work.

Councilor Kvistad asked Ms. Ryan about the government's legal obligation under federal law to provide housing to all of its citizens. He asked which laws she was speaking of.

Ms. Ryan responded that she was talking about Goal 10, receipt of federal funds, fair housing, ADA laws, and the like.

Jane Leo, Government Affairs Director, Portland Metropolitan Association of Realtors, 5100 SW Macadam Avenue, Suite 360, Portland, OR 97219 read her testimony in opposition to the Regional Affordable Housing Strategy (RAHS) into the record (a copy of which may be found in the permanent record of this meeting). She noted HUD Secretary Andrew Cuomo's announcement (a copy of which also may be found in the record). She urged the Council not to accept the report, not to amend the Framework or Functional Plan, and to oppose the real estate transfer tax.

David Rohr, Equity Group Realtor, 6345 SW Edgewood St, Lake Oswego, OR 97035 spoke in opposition to the real estate tax issue. He believed, in any form, it was wrong and counterproductive. He noted that any form of real estate tax was restricted statewide last legislative session, excluding Washington County, in exchange for a higher fee for all documents processed by the government. He said the increase in transaction costs would add one more hurdle to homeownership for first time buyers. He encouraged the Council to not approve such a tax.

Robert Butler, 824 SW 18th Portland, OR 97205, Director of Alliance of Portland Neighborhood Associations, expressed concern about the transfer tax. He read his letter in opposition to the tax

into the record (a copy of which may be found in the permanent record of this meeting). He was not sure why Metro was involved with this matter.

Gail Day, 214 SE 61st, Portland, realtor, concurred with the previous testimony and told a personal story about when she moved from California to Oregon with her 3 children to build a new life without her husband. She chose to take responsibility for her housing and was thankful that nobody offered to subsidize her because she and her children learned a strength they would not have if someone gave them their home without the struggle. She urged the Council to remember that providing hand outs to people who don't have only allowed them to continue to be weak instead of allowing them to grow. She asked the Council to send the resolution back to committee and tell them they must come up with ways of helping people to change their lives, improve their situation and take care of themselves.

Jessica Glenn, Clackamas Community Land Trust and the Coalition for a Livable Future, 6114 SE Johnson Creek Blvd., Portland, OR 97206, said there was a tremendous need for affordable housing in Clackamas County. She submitted for the record a needs analysis draft done by Clackamas County (see copy with permanent record of this meeting.) She noted that she was a first time home buyer a few years ago and believed strongly that the real estate transfer tax would be one way to meet her need to give back to her community. She urged the Council to accept the plan as presented by H-TAC. She thanked Councilor Washington for the work he had done on this.

Presiding Officer Bragdon asked Ms. Glenn about a hypothetical real estate transfer tax she mentioned on a \$100,000 home. He said in some of the discussions he sat in on at the committee, there was talk about exempting the first \$120,000 with the idea that they did not want to penalize the lower end of the market, for first time buyers. Ms. Glenn was supportive of the fact there was a need to acknowledge first time buyers.

David Bell, H-TAC member, GSL Properties, 2164 SW Park Place, Portland OR 97205 wanted to reply to some previous testimony. He said first of all, if the concern was really about first time homebuyers, the current proposal was to exempt first time home buyers up to a certain amount of money. Secondly, the people from the association of realtors talked about homes being affected and how this tax only affected homeowners. He clarified that the proposal was for the tax to be on all property. He said he also had not noticed a crimp in activity in Clackamas County due to their real estate tax. He did not see how anyone could say that this did not relate to the economy because if affordable housing was not available for the labor force, how could the labor force be stabilized. He said he was not a tax and spend person and did not believe generally in taxing one small group to fund a community wide need, but in this case, although the tax was not ideal, it was a broad base tax and hit just about everybody in some way. He felt the market would absorb the tax. He said he had nothing to gain by it personally.

Tom Cusack, Oregon State Office Coordinator for the US Department of Housing and Urban Development, 4055 SW Jefferson Parkway, Lake Oswego, OR 97035 said he had been a resident of Lake Oswego for 20 years. He had served as a non-voting member of H-TAC. There was no question for anyone who has been involved in housing that the need was real; it was not a "made up" crisis. The resources are not there to deal with the situation, which was why the goals were established. But the goals could not be reached without additional resources. With regard to first-time homebuyers and home-ownership in general, he said several years ago he had served as the director of housing development for the HUD office in Portland and was responsible for about 50,000 homes financed through the 65-year-old FHA program. First time ownership continues to be a priority for HUD and for local government. Last year in the Metro area, HUD made more

than 3,500 first-time homebuyer loans--\$450 million worth of investment. The modest goals established in H-TAC—about 1800 units/year—pale in comparison to the amount of activity that has taken place and that should continue to take place involving first-time home-buyers.

He said that with regard to resources, Commissioner Sten had stated it accurately: it's not that the real-estate transfer tax is the only resource available, but someone else has to come up with a better resource. He urged people in the private and public sector to look at all the resources and try to find one that would be better supported. One example, the House voted that day on the HUD appropriations budget, which would provide additional funding for housing vouchers and other programs, including some first-time homebuyer programs. The state of Oregon will go through its budget process next year, and that might also provide resources toward solving those problems. He said that people need to decide which resource to use for these purposes rather than pretending the problem does not exist. A role for the Metro Council might be to work with local governments to identify potential sources of financing.

Sheila Fink, 6777 SW Alder, Portland, OR 97223, Nonprofit Housing Developer, asked the council to support the H-TAC report, testified as a member of H-TAC representing non-profit housing developers in Washington County. She asked that the Council adopt the regional strategy as presented in the H-TAC report. The report represents considerable work by a diverse group with considerable expertise. She said that the strength of the Council's stand was that it would not be telling local jurisdictions exactly how to solve the problem. Those jurisdictions would be able to examine the tools laid out and choose those that work best for them. She said the report does not contain anything new or alarming; the strategies presented have been tested and implemented elsewhere in the country. The real-estate transfer tax was only one. She noted that that type of tax has been used in many places, including Washington County, where it had not slowed down real-estate development or home-buying at all. In fact, that has been one of the strongest markets in the past decade. The additional cost that a real-estate transfer tax would impose on first-time homebuyers would be so minimal that it does not bother even strong advocates such as her, particularly with the proposed exemption for first-time homebuyers. She said that earlier testimony had claimed that cities and counties could deal with this problem now. She said that was not the case. She said she has been disappointed in the willingness of local jurisdiction to work in partnership with private and non-profit organizations. She noted the large discrepancy between the 20,000 jobs in Washington Square area and the 2,000 housing units. She said that would not correct itself without some prompting. She said that was only the tip of the iceberg. Urgent housing needs have been unmet throughout the region. An estimated 3,000 people in Tigard have inadequate, substandard, or overcrowded housing, and pay more than half their income to rent. This plan would ask the city of Tigard to deal with 300 units over the next five years—it's not asking a lot. This plan would be only a beginning. She urged Council adoption of it.

Councilor Atherton asked Mr. Cusack about his statement, "the need is great and its growing." He asked why it was growing in a time of great prosperity.

Mr. Cusack said that was a good question and it was one of the most difficult things for people to understand. One reason is that the federal commitment in terms of adding more units has declined dramatically over the past 20 years while the population has increased. Funding has dropped precipitously. There is a gap of 410,000 units between what the President has requested over the past five years and what has been funded. Even if the economy were exactly the same as it was few years ago, if you can't match population growth you will fall behind.

Councilor Atherton suggested that he might be saying that growth had not brought the benefits that people had expected, that growth had not paid its way.

Mr. Cusack said that was not what he said. He said his simple point was that even assuming no growth in the economy, the federal government had not kept pace with population in providing funding for units.

Deputy Presiding Officer Washington closed the public hearing.

Councilor Atherton asked Commissioner Sten about additional funding sources. Did H-TAC discuss System Development Charges, local improvement districts, and ways to remove the subsidies from bare land that prop up its speculative value?

Commissioner Sten said the concept of SDCs had come up, but he understood that money raised through SDCs had to be used for public facilities. He said that part of the reasoning on the transfer tax was that it would be a tax on growth, albeit a small one. The SDC approach would divert the private market for public housing. He thought the realtors had missed the point on this tax, in that first-time buyers had declined almost to the point of vanishing in the city of Portland. This money would go into fostering that private activity and be good for the real estate market. The spirit behind the SDC—i.e., raising money based on growth—is contained to a limited degree in a transfer tax approach.

Councilor Atherton said he had found several reference in the report to allowing a reduction in SDCs for affordable housing. If the full SDC is not charged initially, no reduction would be available. That was his connection. If the full development charge were in place, then growth would be paying for its full impact in the community. It would then be easier to tolerate another tax that could go for affordable housing.

Commissioner Sten said he understood the point on exemptions to SDCs for affordable housing. But growth has dramatically hurt the average working Oregonian's ability to find reasonable housing at a reasonable price. Poor people are moving out of Portland to the suburbs because of growth. Working-class housing is on one side of the region and jobs are on the other. That creates a huge transportation problem. A region-wide housing strategy that includes strategies for first-time buyers will ultimately benefit the region and could help offset some of the downsides of growth.

Councilor Atherton spoke of regional sharing of a commercial/industrial tax base so that the new corporations could contribute to affordable housing. They could also do that by raising wages.

Commissioner Sten was a supporter of regional tax-base sharing, but he thought it was a long way off. He said Portland would be a contributor to that, although some jurisdictions would win and some would lose. The key would be what the money goes for.

Councilor Kvistad said he would be voting in favor of a couple of amendments he expected to be introduced. He commented that he thought Metro's land-use policies had created some of the affordability problems and he found it ironic that Metro was now trying to address that issue. He said he supported the state's land-use policies in general, but disagreed with how they had been implemented in the region. He said he was concerned by the real-estate transfer tax, but he did not have any other ideas for where to go for money. He was also concerned about finding a

balance between helping people and making people dependent on government. In general, he thought the report was better than he had expected.

Councilor McLain spoke to Resolution No. 00-2956A, thanking the task force for its hard work. She said controversy would remain connected with this issue, but the report represented a beginning. She said the report provides a better inventory of the need for affordable housing in the region that has been available in the past. She said the report also provides goals, and it provides a way for local jurisdictions to follow up. The report is an example of how private and public agencies, non-profits and for-profit organizations have made a commitment to work on this difficult and multi-faceted issue. She noted that the real-estate transfer tax, along with all the other recommendations, were only suggestions. The report contained no mandates. She urged adoption.

Motion to

Amend: **Councilor Bragdon** moved to amend section 4 of Resolution No. 00-2956A to add the words “and opportunity for home ownership.”

Seconded: **Councilor Kvistad** seconded the amendment.

Presiding Officer Bragdon spoke to the amendment, saying that he thought home ownership was a vital part of the strategy. He suspected it had been inadvertently overlooked when that section was written.

Vote to

Amend: The vote was 7 aye/ 0 nay/ 0 abstain. The motion to amend passed unanimously.

Councilor Park thanked the H-TAC members, who had begun working on this before he was on the Council. He noted that the real-estate transfer tax had been the subject of a lot of testimony, but it appeared as only one recommendation among many, and was on only two pages of the document. He noted that it could not even be considered until the State legislature acted on it. He said he believed home ownership was key. He noted that housing affordability was a problem throughout the country, not just here. He said that the longer people remain off the first rung of the affordable housing “escalator,” the more difficult it becomes to get on at all. He said the Portland region attracts people, which creates competition for housing. He said a future discussion might address the role of educating our own young people so they can compete with those who move here. He disagreed with Councilor Kvistad that the urban growth boundary created problems with housing prices. He said many other factors contributed to the problem. He called attention to who needs affordable housing, as shown on the table on page 10. Those people are not the “homeless,” but ordinary working people. He said he would support the resolution.

Councilor Monroe said the problem of affordability in housing permeates our society, made worse by growth. He said it was not caused by state land-use laws nor the policies surrounding urban growth boundary expansions. He said that in other areas of the country where sprawl is allowed, the cost of housing rises even faster, because sprawl development is the most expensive. He said he advocated providing choices in housing. He said Metro was not part of the problem; he looked forward to continuing to be part of the solution. He applauded Councilor Washington for his role in this process. He thanked Commissioner Linn, who had chaired H-TAC, for her patience, and all the members who had worked on the document. He noted that this report

represented a good framework for defining the problem and posing potential solution. He would support the resolution.

Councilor Kvistad said he had not meant to suggest he opposed state land use laws and had not meant to imply that the urban growth boundary had caused this problem; however, he did think that some of Metro's social engineering efforts had contributed. He cautioned against allowing this report to become a "cookie cutter" for all jurisdictions. He also cautioned against supporting the "poverty lobby" who make money off the problems in society. He said he had voted against this issue in the past, but he would be supporting it this time in spite of some remaining concerns, because there is a problem and something needs to be done to address it.

Presiding Officer Bragdon closed by adding his thanks to all of those who had been involved in H-TAC and to Councilor Washington for initiating the whole process. He thanked Chair Linn for her role in bringing diverse voices together to overcome acrimony and focus on a issues together. He said the document contained some economic justice issues, but that providing housing for a diverse workforce would have economic value. He urged support.

Deputy Presiding Officer Washington said this committee almost did not happen, as establishing it almost did not gain Council approval. He said he had met with every mayor in the region to discuss affordable housing issues. He said there had been a rumor that Metro wanted to put low-income housing throughout the region, rather than develop potential strategies for ensuring a supply of affordable housing. He said the recommendations might change as circumstances change, and that is as it should be. He urged support.

Vote on the

Main Motion: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed unanimously.

8.2 **Resolution No. 00-2957**, For the Purpose of Transferring a Solid Waste Facility Issued to Willamette Resources Inc., to Willamette Resources, Inc., as a Wholly Owned Subsidiary of Allied Waste Industries, Inc.

Motion: **Councilor McLain** moved to adopt Resolution No. 00-2957.

Councilor McLain provided background on this Resolution (the substance of which can be found in the staff report that accompanies this resolution in the meeting record).

Seconded: **Councilor Bragdon** seconded the motion.

Vote: The vote was 7 aye/ 0 nay/ 0 abstain. The motion passed.

8.1.1. **HOUSING TECHNICAL ADVISORY COMMITTEE RECOGNITION**

Deputy Presiding Officer Washington presented awards to H-TAC members and Metro staff (a list of all award recipients has been attached to the permanent record of this meeting).

8.3 **Resolution No. 00-2954**, For the Purpose of Urging Amendment of ORS 223.297, Et. Seq. Relating to Impact Fees and System Development Charges to Include Facilities Police, Fire, Libraries and Schools.

Motion: **Councilor Atherton** moved to adopt Resolution No. 00-2954.

Second: No second.

The resolution died for lack of a second.

**9. EXECUTIVE SESSION HELD PURSUANT TO ORS 192.660(1)(e).
DELIBERATIONS WITH PERSONS DESIGNATED TO NEGOTIATE REAL
PROPERTY TRANSACTIONS.**

Members Present: Jim Desmond, Alison Kean Campbell, Barbara Edwardson, Dan Cooper, members of the press.

9.1 **Resolution No. 00-2955**, For the Purpose of Approving an Agricultural Lease in the Clackamas River Greenway Target Area.

Motion: **Councilor Atherton** moved to adopt Resolution No. 00-2955.

Second: **Councilor Bragdon** seconded the motion.

Councilor Atherton explained that Metro would be leasing only part of the purchase. He said both the revenue and the fact that the land would be cared for would be useful. He said access to the river environment would be retained. He urged support for the resolution.

Vote: The vote was 6 aye/ 0 nay/ 0 abstain. The motion passed, with Councilor McLain absent from the vote.

9.2 **Resolution No. 00-2949**, For the Purpose of Authorizing the Executive Officer to Execute an Allocation, Joint Cooperation and Defense Agreement with the Port of Portland for the Willamette Cove Property.

Motion: **Councilor Monroe** moved to adopt Resolution No. 00-2949.

Seconded: **Councilor Bragdon** seconded the motion.

Vote: The vote was 6 aye/ 0 nay/ 0 abstain. The motion passed, with Councilor McLain absent from the vote.

**10. EXECUTIVE SESSION, HELD PURSUANT TO ORS 192.660(1)(h), TO
CONSULT WITH LEGAL COUNSEL CONCERNING THE LEGAL
RIGHTS AND DUTIES OF A PUBLIC BODY WITH REGARD TO
CURRENT LITIGATION.**

Members Present: Dan Cooper, Council staff.

11. COUNCILOR COMMUNICATIONS

Councilor Kvistad announced that Presiding Officer Bragdon's birthday had been on Tuesday, wished him a happy belated birthday, and presented him with two dozen cupcakes.

12. ADJOURN

There being no further business to come before the Metro Council, Presiding Officer Bragdon adjourned the meeting at 7:36 PM.

Prepared by

Chris Billington
Clerk of the Council

**Attachments to the Record
Metro Council Meeting of June 22, 2000**

Doc. No.	Document Title	TO/FROM
062200c-00	Minutes of June 15, 2000 Regular Council Meeting	
062200c-01	Talking Points for Resolution 00-2956	Council/Ed Washington
062200c-02	Growth Management Committee report, Res. No. 00-2956	/staff
062200c-03	Amendment to Resolution No. 00-2956	Council/Ed Washington
062200c-04	Resolution No. 00-2956A	
062200c-05	Letter RE: opposition to real estate transfer tax	Council/Ken Turner, Foster Area Business Assn.
062200c-06	Letter RE: Regional Affordable Housing Strategy Plan	Council/Leeanne MacColl, League of Women Voters
062200c-07	Written testimony RE: Regional Affordable Housing Strategy	Council/Jane Leo, Portland Metropolitan Assn. of Realtors
062200c-08	Realtor Magazine printout of HUD Secretary Andrew Cuomo's announcement that "HUD is Building a \$1 Billion Partnership with America's Faith-Based Organizations"	
062200c-09	Letter RE: opposition to Proposed Real Estate Transfer Tax Imposed by Metro to Fund Affordable Housing	Metro Council/Robert Butler, APNBA
062200c-10	Clackamas Housing Needs and Market Analysis and What is Affordable for Clackamas County Residents?	Jessica Glenn, Clackamas Community Land Trust
062200c-11	Letter RE: J-TAC Report and Recommendations for Metro Council Role in Legislation Providing Resources to Accomplish Local Production Goals	Metro Council/Tom Cusak, OR HUD State Coordinator
062200c-12	Letter RE: Regional Affordable Housing Strategy - Opposition to Real Estate Transfer Tax	Council/Jack G. Kaady
062200c-13	e-mail RE: Real Estate Transfer Tax (opposition)	Jon Kvistad/Jerrene Dahlstrom
062200c-14	Letter RE: real estate transfer tax (opposition)	David Bragdon/Robin O. White, BOMA
062200c-15	Letter RE: Resolution No. 00-2956, Affordable Housing Strategy	David Bragdon/Mike Tharp, Chair, CREEC
062200c-16	List of recipients of H-TAC Certificates of Appreciation	Staff
062200c-17	Speaking Points, Confidential Attorney-Client Communication made in contemplation of litigation	/Willamette Cove Council