

A G E N D A

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METRO

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MEETING: METRO POLICY ADVISORY COMMITTEE

DATE: February 22, 2006
DAY: Wednesday, 5:00-7:00 p.m.
PLACE: Metro Council Chamber/Annex

NO	AGENDA ITEM	PRESENTER	ACTION	TIME
	CALL TO ORDER	Kidd		
1	SELF INTRODUCTIONS, ONE MINUTE LOCAL UPDATES & ANNOUNCEMENTS	All		5 min.
2	CITIZEN COMMUNICATIONS FOR NON-AGENDA ITEMS			5 min.
3	CONSENT AGENDA <ul style="list-style-type: none">February 8, 2005	Kidd	Decision	5 min.
4	COUNCIL UPDATE	Hosticka		5 min.
5	ECONOMIC PEER REVIEW COMMITTEE	Neill	Discussion	15 min.
6	HOUSING CHOICE TASK FORCE FINAL REPORT	Burkholder/Liberty	Discussion	30 min.
7	OPEN SPACES BOND MEASURE	Desmond	Introduction	45 min.

UPCOMING MEETINGS:

MPAC: March 8 & 22, 2006

MPAC Coordinating Committee, Room 270: March 8, 2006

For agenda and schedule information, call Kim Bardes at 503-797-1537. e-mail: bardes@metro.dst.or.us

MPAC normally meets the second and fourth Wednesday of the month.

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METRO POLICY ADVISORY COMMITTEE MEETING RECORD

February 8, 2006 – 5:00 p.m.

Metro Regional Center, Council Chambers

Committee Members Present: Chuck Becker, Nathalie Darcy, Rob Drake, Andy Duyck, Dave Fuller, Ed Gronke, John Hartsock, Jack Hoffman, Tom Hughes, Richard Kidd, Alice Norris, Chris Smith, Erik Sten

Committee Members Absent: Ken Allen, Richard Burke, Bernie Giusto, Margaret Kirkpatrick, Charlotte Lehan, Diane Linn, Tom Potter, Katherine Ruthruff, Larry Sowa, Steve Stuart, (Multnomah Co. Special Districts – vacant, Governing Body of School District –vacant)

Alternates Present: Larry Cooper, John Leeper

Also Present: Frank Angelo, Angelo Easton & Associates; Hal Bergsma, City of Beaverton; Ron Bunch, City of Gresham; Jim Chapman, HBAMP/Legend Homes; Carol Chesarek, Citizen; Bob Clay, City of Portland; Debbie Collard, Ball Janik LLP; Valerie Counts, City of Hillsboro; Danielle Cowan, City of Wilsonville; Tom Cox, Citizen; Shirley Craddick, City of Gresham; Brent Curtis, Washington County; Kay Durtschi, MTAC; Meg Fernekees, DLCD; Jon Holan, City of Forest Grove; Jim Jacks, City of Tualatin; Stephan Lashbrook, City of Lake Oswego; Irene Marvich, League of Women Voters; Doug McClain, Clackamas County; Bud Moore, Beaverton School District; Jonathan Schlueter, Westside Economic Alliance; Pat Ribellia, City of Hillsboro; Andrea Vannelli, Washington County; Jan Youngquist, Beaverton School District; David Zagel, TriMet

Metro Elected Officials Present: Liaisons – Carl Hosticka, Council District 3, Robert Liberty, Council District 6 others in audience: Brian Newman, Council District 2; David Bragdon, Metro Council President

Metro Staff Present: Kim Bardes, Dick Benner, Tom Chaimov, Dan Cooper, Andy Cotugno, Chris Deffebach, Ken Ray, Robin McArthur, Lake McTighe, Gerry Uba, Reed Wagner

1. SELF-INTRODUCTIONS, ONE MINUTE LOCAL UPDATES & ANNOUNCEMENTS

Mayor Richard Kidd, MPAC Chair, called the meeting to order at 5:04 p.m. Chair Kidd asked those present to introduce themselves.

2. CITIZEN COMMUNICATIONS FOR NON-AGENDA ITEMS

There was none.

3. CONSENT AGENDA

Meeting Summary for January 25, 2006:

Motion:	Mayor Rob Drake, City of Beaverton, with a second from, Alice Norris, City of Oregon City, moved to adopt the consent agenda without revisions.
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Vote:	The motion passed unanimously.
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4. COUNCIL UPDATE

Councilor Carl Hosticka reported on the public forums for the Metro Bond Measure and upcoming public hearings. He informed the members that if they wanted to see the presentation and polling results from Davis, Hibbitts & Midghall both items were located on the Metro website. He informed the members about a celebration for the City of Damascus on February 22, 2006. He said that highway 217 would be in front of JPACT the next morning for discussion and then it would come back to MPAC sometime thereafter.

5. EVALUATING REGIONAL WASTE REDUCTION PROGRAMS

Lee Barrett, Waste Reduction & Outreach Division Manager, asked the members to share their thoughts about the recycling and solid waste programs for the region. He distributed a survey, which is attached and forms part of the record. He reviewed the survey and asked the members to fill that out and return it to him.

6. RESPONSE TO EXPANSION AREA PLANNING FUND

Councilor Brian Newman explained that the final report had been emailed and circulated with the MPAC members. He reviewed the report and the reasons it was taken up as an issue for Metro and MPAC. A copy of the report was placed in the back of the room and a copy is attached and forms part of the record.

Chair Kidd asked for discussion and informed members that the issue would come back to MPAC for a recommendation on March 8, 2006.

Mayor Chuck Becker, City of Gresham, said that in order to move forward with work on the comprehensive plan for Springwater the City of Gresham had taken out a loan. He said that since the city had taken fiscal responsibility for moving forward on planning, it seemed only fair that they get reimbursed.

Councilor Newman said that the Metro Council had a discussion on that very issue and there was general consensus that they did not want to penalize Gresham and that they would be looking for a way to reimburse them if this plan were to go forward.

Andy Duyck, Washington County, asked about the 1% fee and what it applied to.

Reed Wagner, Policy Advisor, distributed 5-6 copies of a map for the members to share and look at that would help facilitate the discussion.

Chris Smith, Multnomah County Citizen, asked what would happen when the fee was sunset and during the next expansion review new land was brought in by Metro.

Councilor Newman said that they would have to start a new process for that because this fee would definitely have to sunset in three years and would apply directly to the 2002 and 2004 expansion.

Mayor David Fuller, City of Wood Village, said that some communities were not as wealthy as others and it would be better to set up something that the whole region could benefit from and not have to redo every time they brought new land into the Urban Growth Boundary (UGB).

Councilor Newman distributed a letter from the Home Builders Association and that letter is attached and forms part of the record.

Councilor Jack Hoffman, City of Lake Oswego, asked if the fee covered both commercial and residential development.

Councilor Newman said that was correct.

There was discussion about the basic provisions of the proposal including the fee and how it would be calculated. There was also discussion about benefits, both local and regional, and the possible drawbacks to the plan.

Mayor Tom Hughes, City of Hillsboro, expressed concern that for some areas the reason there was no planning or building was that there was no interest by business to build there. He also pointed out that since they were supposed to be expanding the UGB for a 20-year land supply it was realistic that not all newly included land would be immediately planned and filled.

Councilor Newman said that there needed to be regional solutions for all areas and not just for those that had cash rich developers waiting to build in them.

Mayor Alice Norris, City of Oregon City, said that after reading the minority report one of the things she thought was needed (besides the continual need for funding in communities) was more staff. The lack of staff directly related to the slowness of concept planning. To compensate they have been forced to hire consultants, which also slows down the process because then staff must get the consultant up to speed and guide them through the process. She asked if, when the committee was pondering ways of raising funds, they considered requiring a local match?

Mr. Wagner said that matched funds had been discussed and would be encouraged. He said that if funds were matched then that would reduce the overall need. He said that by the time they got to the end of the first year, and certainly by the second year, they would be able to identify how much money was still needed and determine when they could sunset or if they could sunset early.

Commissioner John Hartsock, City of Damascus, said that most developers would not take a chance on property, except for large firms, unless they knew ahead of time how it would be planned.

Councilor Hoffman asked how they planned to prioritize who gets the money?

Councilor Newman said that if Metro served as the banker then they would not have to prioritize because there would be enough money for every area that wanted to plan to do so. He said that they would always encourage jurisdictions to find other sources of funding, and if that were to happen then they would be able to rescind the fee early. He said that more than anything else they wanted to get work started and done. He said that people lose faith in the system when nothing happens to the land brought in. He said that this issue would be discussed at the Metro work session on Feb 21st and he invited MPAC members to attend if they wanted to.

7. ORDINANCE 06-1110 TITLE 11 PUBLIC FACILITIES

Mayor Rob Drake, City of Beaverton, said that since the ordinance had been reviewed at the last meeting he would like to make a motion.

Motion:	Mayor Rob Drake, City of Beaverton, with a second from John Leeper, Washington County Commissioner, moved for approval of Ordinance 06-1110.
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Councilor Hoffman asked to hear what MTAC had recommended before making a decision.

Dick Benner, Office of Metro Attorney, reviewed some of the main points of discussion from MTAC. He outlined their discussion on “unintended results” of this ordinance and he reported that in the end MTAC decided that there would not be any significant unintended results and forwarded the recommendation as it appeared in the MPAC meeting packet.

Mr. Smith asked about an article he had read regarding a school district purchasing some land outside of the UGB in anticipation of the ordinance and being able to subdivide after it was passed.

Mr. Bud Moore, Beaverton School District, reviewed the events leading up to the purchase and said that the issue was to execute an originally intended sales purchase agreement that they had been restricted from doing by the 20-acre limitation. He said that they needed elementary sites out that way. If they were land speculators they would have bought the land and held on to it and sold it at some future date. He said that the tenancy in common was a provision whereby the school district could buy an interest into the larger parcel with specifications in the tenancy agreement for the specific parcel of 5 acres that would allow for the original intent purchase for future site development.

Mr. Smith said it was a very creative approach, but he wanted to know if that obviated the need for this ordinance.

Mr. Moore said that he did not believe it was just a problem for the Bethany area, but it would affect other areas. He said it was an issue now and would likely be an issue in the future.

Chair Kidd called for a vote.

Vote:	The motion passed unanimously.
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8. MAYORS’/CHAIRS’ FORUM FOLLOW-UP

Robin McArthur, Long Range Planning Director, thanked the mayors for turnout at the forum. She distributed a packet and a copy of the breakout session questions worksheet. Those handouts are attached and form part of the record. She reviewed the materials in the packet and the questions asked in the breakout session. She informed the members that as soon as the Metro Staff tallied the responses to the breakout session that would be shared with the mayors and MPAC members.

Council President Bragdon said that the packet did not include the entire presentation on the public opinion research. He said that all the results of the polling could be found on the Metro website. He said

that there would be a survey emailed/mailed to those who had participated in the forum, and that the results would help evaluate the issues and the needs for the next forum. He said that forum would be held in June and/or September.

Some members commented on what they liked about the forum and where the process could be improved.

Chair Kidd asked for feedback about whether they should hold a forum in June as well as in September.

Mayor Hughes said he thought they should have the New Look forum in the spring and then Mayors/Chairs forum in the fall.

9. AFFORDABLE HOUSING

Councilor Robert Liberty talked about general affordable housing issues that the region was facing. He talked about the rising costs of housing all over the nation. He reviewed the memorandum that was emailed to the members and placed in the back of the room. That memorandum is attached and forms part of the record. He said that the Housing Choice Task Force (HCTF) report would come back to MPAC at the February 22, 2006 meeting for recommendation. He explained that affordable housing would always be an issue of concern and that once the decision was made on the HCTF (item #2 in the memorandum) those other issues outlined in the memorandum would still continue to need to be talked about. He reviewed the items outlined in the memorandum item by item.

Commissioner Erik Sten, City of Portland, said that he supported the attempt to establish a regional fund, but he cautioned that the elected officials would need to show more vision and beef up the argument. He said he had worked extensively with committees in the past to find funding and a solution to the affordable housing problems in the region, and it seemed like they did not make progress. He said that the region needed a stronger policy statement and greater push in order to make progress on this issue. He said the region would have to demand action on this issue before real solutions were found. He said that they needed to be realistic when facing this issue. He said that the recommendations without some real and hefty funding would not produce affordable housing.

Mayor Drake said that Commissioner Sten was correct. He said that the lack of success thus far was not due to lack of effort.

Commissioner Sten said that an incremental approach made sense but that it needed to be framed more clearly. He said he thought they were not there yet. He said that the argument to establish a regional fund was valid. He said that someday Metro might need to mandate affordable housing versus not having any affordable housing in the region at all. There was currently a consensus that nobody would support regulation, but the voluntary approach doesn't seem to be able to come up with the funds and make it happen. There may not be any choice but to regulate affordable housing.

Councilor Liberty said that there were a lot of politics involved in the last effort to mandate affordable housing so the Council had backed away from it.

Mayor Hughes said that if they were going to be serious about affordable housing they would need to be serious about the amount of money necessary to do it. He said that he had given up on affordable housing until they could find a way to subsidize it. He said that if they were going to be serious about it they would need to look at all the factors that contribute to the economy and affordability. He said that his community was projected to grow in population by 10,000 in the next 25 years but it would add 600,000

jobs – that would be the end of affordable housing in Hillsboro forever. Those 10,000 housing spots would go at a premium. Affordable housing would need to be a priority as the UGB was added to.

Councilor Hoffman said it sounded like Commissioner Sten thought the \$10 million dollar bond was a good recommendation in the context that it was a drop in the bucket. He said that he thought Commissioner Sten was asking for a stronger recommendation from MPAC. The other thing he thought he heard was a need for a legislative agenda related to the UGB and a hierarchy of lands.

Councilor Liberty said that there did seem to be a feeling of defeatism regarding affordable housing.

Commissioner Sten offered to write up some options for further discussion on affordable housing options.

Councilor Hosticka asked whether manufactured housing and mobile homes were included in the report. He said that this was a major issue for his area. He said that mobile home parks were being closed and redeveloped. He wondered if this was counted as part of the affordable housing issue.

Councilor Liberty said that the task force had discussed that as well. He said it was part of the preservation piece of the study and he talked about the pilot project taking place in Wilsonville. He said that they would like to have an inventory of all housing and costs. He said it would help them look more realistically at the situation as they tried to move forward, but it would be difficult to determine. He said they really needed to know details on rents, but that was not a number that Metro or many jurisdictions had. He wondered if jurisdictions were willing to pay to do that sort of research.

Chair Kidd said that anything on the free market related to rent was constantly going up. He said that demand was pricing out affordable housing. He wondered what they could do to deal with that situation.

There being no further business, Chair Kidd adjourned the meeting at 7:03 p.m.

Respectfully submitted,



Kim Bardes
MPAC Coordinator

ATTACHMENTS TO THE RECORD FOR FEBRUARY 8, 2006

The following have been included as part of the official public record:

AGENDA ITEM	DOCUMENT DATE	DOCUMENT DESCRIPTION	DOCUMENT NO.
#4 Council Update	02/08/06	Article: "A big to-doo" Zoo composting plant opens	020806-MPAC-01
#5 Waste Reduction	February 2006	Solid Waste Reduction Survey	020806-MPAC-02
#6 EAPF	February 2006	Map for Expansion Area Planning Fund report and proposal	020806-MPAC-03
#7 Ord 06-1110 Title 11	2/8/06	Memorandum from Home Builders Association, Jim McCauley to MPAC re: proposed construction permit fee surcharge	020806-MPAC-04
#8 Mayors/Chairs forum	2/3/06	Packet material from Mayors/Chairs forum plus break-out worksheet	020806-MPAC-05
#9 Affordable Housing	2/7/06	Memorandum to MPAC from Councilors Burkholder and Liberty re: questions to consider regarding the Housing Choice Task Force draft report	020806-MPAC-06

M E M O R A N D U M

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METRO

DATE: February 2, 2006
TO: Michael Jordan, Chief Operating Officer
FROM: Lydia Neill, Principal Planner
Dennis Yee, Chief Economist Data Resource Center
SUBJECT: Formation of the Metro Council of Economic Advisors

Background:

The Metro Regional Forecast represents a technical assessment of future economic conditions. The growth outlook for the region is used for transportation and land use planning studies and as a basis for managing the urban growth boundary (UGB). Oregon Revised Statutes (ORS) 197.296 directs Metro to prepare a 20-year analysis of regional growth that considers demographic and population trends and economic trends and cycles.

A regional econometric model developed by Metro staff is used to forecast population and employment growth for the Portland-Vancouver-Beaverton OR-WA PMSA. A second economic model, MetroScope (an urban land use real estate forecast model), is used to spatially disaggregate the regional forecast into subarea growth projections for employment and households. The Regional Forecast is based on the best available demographic and economic information at the time the forecast is prepared. Economic assumptions are derived from a national forecast (usually purchased from Global Insight) and demographic assumptions are obtained from U.S. Census and State Department of Vital Statistics.

Presently, the Regional Forecast is prepared by Metro staff and is peer reviewed by a panel of local experts. The Regional Forecast is incorporated in findings adopted during the process of reviewing the capacity of the UGB. The Land Conservation and Development Commission (LCDC) acknowledges the Metro Regional Forecast as part of Metro's Periodic Review of the UGB. Transportation analysis zone (TAZ) sub-area growth allocations of the forecast receive extensive peer review by local jurisdictions including cities, counties, Port of Portland and the Portland Development Commission.

Proposed Structure for Establishing an Economic Peer Review Committee:

Due to the importance of the Regional Forecast to regional growth management policy decisions it is proposed that the Council establish a Council of Economic Advisors to provide peer review of the Regional Forecast. The role of the Metro Council of Economic Advisors (CEA) would be to independently review the validity of the Regional Forecast for use in growth management planning. The duties and responsibilities include (but are not limited) an independent review of Metro's economic models, macroeconomic input assumptions, independent comment on land use and transportation assumptions, and advice to Metro Council on the reliability of the Regional Forecast and its methodology.

Operating Structure:

The Chief Operating Officer (COO) will propose a list of economic advisors for appointment to the CEA. The CEA will be appointed by the Metro Council and will report directly to Metro's Chief Operating Officer.

Duties and Responsibilities:

Role of the CEA is to review and attest to the consistency and validity of the Regional Forecast. Specifically they will be asked to review assumptions such as:

- Review and affirm the U.S. macroeconomic inputs (i.e., forecast outlook and assumptions);
- Review and consider methodological improvements to the Regional Forecast;
- Review and recommend adjustments, if any, to a draft 2035 Regional Forecast and a 50-year forecast;
- Review the methodology for producing a probabilistic forecast to provide a range for forecast variables and recommend whether this methodology is appropriate for Metro's growth management work; and
- Review and discuss issues that have potential long-term economic impacts on the region.

Membership Composition and Duration:

A seven-member committee is proposed to be appointed for a rolling three-year term (two members with 1-year terms, two with 2-year terms and three with 3-year terms). A chairperson from the committee will be designated by the Council to conduct meetings and to provide reports to the Chief Operating Officer and the Metro Council. It is suggested that the chairperson be a local expert that can periodically report to the COO and the Metro Council.

Membership may be drawn from public and private agencies and could include a combination of members with the following qualifications:

- Oregon State Economist (coordination with the State is required per ORS 195.025, 195.036 and ORS 197.712)
- Professional Demographer
- Industry Economist (from a key regional sector, e.g., high-tech)
- Financial Analyst (an expert in the financial markets)
- Real Estate Economist
- Utility Economist (e.g., BPA, PGE, Pacific Power, NW Natural)

- Economics or Urban Planning Academic

It is recommended that the seven member CEA including a local member that will serve as the chairperson, the State economist and a least four members who are from outside of the region. Of the categories detailed above it is recommended that at least one demographer, industry economist and real estate economist be included on the Council.

Proposed Stipend:

It is recommended that each committee member will be paid a \$500 stipend per meeting in addition to travel expenses. The stipend is small compensation for the level of effort required to review Metro’s forecast due to the complex linkages that have been established between Metro’s land use and transportation models. Committee members will need to look beyond traditional forecasting methods and requirements to understand the suite of models that are used to evaluate land use, transportation and policy decisions made by Metro.

Projected Meeting Schedule:

Meetings are proposed to be held in April, June and September.

Suggested Review Topics

1. *April Meeting:* Review of the macroeconomic forecast assumptions, land use, transportation, demographic and industry assumptions and the value of the agricultural economy included in a draft 2035 Regional Forecast and a 50-year long-term forecast. A comparative review of related forecasts is also proposed – e.g., State of Oregon, State of Washington, Bonneville Power Administration, Tri-Met, etc.
2. *June Meeting:* Review a memorandum discussing the development of a probabilistic model to estimate ranges in forecast variables. The committee will be asked to comment on the use of this type of forecast and to determine the feasibility of developing this type of model and whether it is an appropriate tool for use by Metro.
3. *September Meeting:* Review issue papers that discuss possible long-term economic impacts to the economy. The topics ranging from peak oil pricing and its transportation effects, age related population shifts and their impacts on housing choices and the west coast port system and its effects on the local distribution and logistics sector.

Regional Housing Choice

Implementation Strategy

REPORT
SUMMARY
PREPARED
BY METRO'S
HOUSING
CHOICE TASK
FORCE



METRO

PEOPLE PLACES
OPEN SPACES

HOUSING CHOICES FOR ALL

The Housing Choices Task Force (HCTF) report addresses how the Metro Council and its public and private partners can enhance livability for all residents of the region by providing and safeguarding a range of housing choices.

The report demonstrates that regional home prices have increased faster than wages, and that a decline in living wage jobs has limited the purchasing and rental power of residents earning average or less than average salaries. There is a need to ensure housing availability for residents with diverse needs at different stages in their lives: those in the work force that are required to commute long distances because of limited housing choices, those with disabilities, and those going through changes in their lives, whether looking for a starter home, moving into a smaller place with services once children have moved out, or needing an assisted living facility.



HISTORY

The housing market is regional and cuts across city lines. Most people live in one area and work in another. Metro encourages a mix of affordable housing types dispersed throughout the region, giving residents a choice in where they want to live. Although housing has long been an important regional and local issue (and a hot topic in the media), local governments often find that they lack the resources – both informational and financial—to create new housing opportunities. Local governments have identified barriers to developing a diverse housing supply, and the Housing Choice Task Force is providing recommendations to the Metro Council to overcome these barriers.

THE NEED

Rising land costs and other developmental opportunities have resulted in an increase in high-end housing over other types. In some parts of the region, condo conversions threaten the existing affordable rental stock, and teardowns of existing homes deplete existing affordable home ownership opportunities. Relocating residents must then compete for the remaining housing choices in other communities. Many developers do not realize the range of financing tools available that make the development of lower income housing a sustainable business. Finally, local governments do not always

maximize their chances to negotiate for affordable housing, particularly in new projects to which they have provided services and where the developer has room for profit.

The demonstrated need for housing choices is not resulting in the increase of the housing supply through the development community. The demonstrated lack of housing choices in job-rich communities, such as Wilsonville, is not resulting in the development community increasing the supply of housing choices. In many parts of the region, market-rate apartments are still affordable, but ownership is priced out of reach. This report addresses the preservation of existing affordable rental and owner-occupied homes, including mobile homes.

THE BARRIERS

In 2000, Metro required cities to adopt affordable housing production goals and consider changes in policies to support affordable housing development. During the implementation of these housing requirements in Metro's Functional Plan (2001 to 2004), local governments identified barriers to their adoption. These can be roughly grouped in five categories.

"We're already in compliance"— many jurisdictions did not recognize a need to do more for affordable housing than they are already doing, and took the position that compliance with State Planning Goal 10 – Housing, the Metropolitan Housing Rule, and the requirements in Metro's Functional Plan (density requirements, accessory dwelling units, parking minimums) are sufficient efforts to create a positive environment for affordable housing.

"One size doesn't fit all"— many local governments felt that the requirements did not take into account unique local situations or city characteristics, such as existing housing stock which is already oriented to serve lower income or elderly families.

"It costs too much – no funding/not enough staff" – many jurisdictions stated that they lacked the resources to comply, and regional funding was not in place to assist with affordable housing production.

"Little vacant land or expensive land" – a few jurisdictions stated that they have relatively little vacant land, while one jurisdiction stated that the developable residential land remaining within its city limits is among the most expensive residential property in Oregon.

"Political barriers" – many local governments explained that local charter provisions currently prevent the implementation of certain provisions of the requirements, such as "replacement housing in urban renewal areas" and "inclusionary housing in urban renewal areas."



In addition, the HCTF has identified other barriers to housing choices. These can be roughly grouped in five categories: 1) physical (land availability, lack of infrastructure, etc); 2) financial (raising necessary capital, inadequate purchasing power, etc); 3) market (consumer preference, small scale developers, etc); 4) regulatory (zoning requirements, development standards, etc) and 5) political (lack of leadership, neighborhood resistance, etc).

THE FUTURE

Members of the Housing Choice Task Force, through a review of available information, deliberations and a proposed pilot project in Wilsonville, assessed barriers to housing supply and identified opportunities to increase housing choices for the region's workforce, elderly and disabled persons. This report summarizes their experience and findings. HCTF hopes that this collaboration of various stakeholders who address the shortage of housing choices as a regional issue will build broader support for regional housing solutions. The report identifies future roles for Metro, local governments and other organizations in the region.

COURSES OF ACTION

The Housing Choice Task Force formed teams: a Funding Solutions Team to identify funding sources, and a Land Use Solutions Team to assess land use and regulatory solutions (including the modification and/or removal of constrictive regulations.) A third team, the Wilsonville Pilot Project Solutions Team, is working with Wilsonville planners and city officials to identify and demonstrate a strategy for Wilsonville to reach its Affordable Housing Production Goals. The HCTF also recommends that Metro convene a similar group to work with other local jurisdictions. By drawing on the experience of local developers, planners, funders and officials, the Housing Choice Task Force is crafting new strategies promoting regional housing choices for all. The Task Force will present its recommendations to the Metro Council in March 2006.



Proposed actions for Metro and local governments

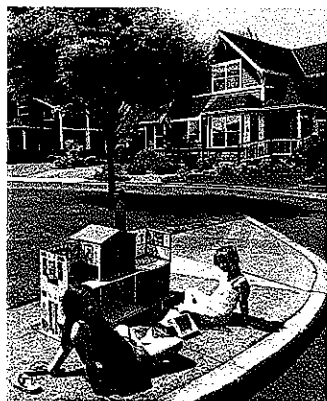
Funding solutions

1. Form a Construction Excise Tax study committee to identify the need for and collection, allocation and administration of a tax for housing
2. Establish the initial fund with a \$10 million revenue bond and amend the Regional Framework Plan to establish a funding program
3. Create support for a Real Estate Transfer Fee or Document Recording Fee

Land use and regulatory solutions

Solutions proposed for immediate implementation:

1. Establish a housing supply survey for accurate assessment of progress toward achieving the region's affordable housing goals
2. Regional policies: Use the urban growth boundary (UGB) expansion decisions to negotiate voluntary landowner commitments to provide affordable housing, and allow local governments and their stakeholders to trigger UGB expansion if voluntary inclusionary housing has been negotiated.
3. Work with regional partners to pursue the possibility of removing prohibition on inclusionary zoning
4. Expedited review for affordable housing – work with cities and counties to assess existing regulatory process to determine how to qualify affordable work force housing projects for an expedited process
5. Metro work with in-house expertise or other experts (e.g., PDC) to provide technical assistance to shepherd qualifying projects in cities and counties



Solutions to be further addressed as part of Metro's New Look program

1. Update the regional parking ratio requirements, and consider to implement parking management in centers
2. Plan for complete communities that include housing choices
3. Encourage development in centers and corridors and other transit-friendly locations
4. Evaluate opportunities to implement form-based codes

Metro convening solutions

1. Continue the convening of local government officials and housing experts in other jurisdictions expressing interest to identify development opportunities in cities and counties

Technical assistance solutions

1. Housing needs assessment/basic market study: Work with State Housing & Community Services to adjust the State Housing Model to reflect future need.
2. Contract consultant to assist Metro & local governments to populate the State Housing Model after the adjustment
3. Available land inventory: Utilize Metro data and staff to assist local governments to develop a "portfolio" of developable sites in the 2040 Centers, Corridors and other locations
4. Contract legal counsel to work with staff to provide a guidebook of model approval and development conditions that could be adopted by local jurisdictions
5. Illustrated affordable housing toolbox: Contract consultant to assist Metro in the development of outline summaries of financial tools for affordable housing
6. Communications and awareness: Develop a communication toolbox utilizing visuals of successful projects in the region that could be used to visualize what affordable housing looks like and how it can be built

Preservation solutions

1. Develop model condo conversion ordinances
2. Adopt ordinances to mitigate the impact of mobile home park closure

Amendment of the Regional Framework Plan and Code

- A. Revise Regional Framework Plan
- B. Revise Urban Growth Management Functional Plan -- Title 7

Metro “Regional Housing Choice Implementation Strategy” Report [DRAFT –Feb. 13, 2006]

Summary of Recommended Solutions (Funding, Land Use and Regulatory, Convening and Technical Assistance, Preservation, and Wilsonville Pilot Project Implementation)

Solutions	Explanation	Roles and Responsibilities
<i>Regional Funding</i>		
A	<p>\$10 Million Revenue Bond Financed by a Regional Funding Mechanism</p> <p>In the short term, a \$10 million revenue bond could provide an initial funding solution that would enable immediate affordable housing needs to be addressed. Using its general taxing authority, Metro could provide a dedicated funding source for the repayment of the bond. For example, a region wide construction excise tax (CET) of .1% on building permits over \$100,000 could provide a revenue stream of approximately \$850,000 a year for 20 years would be needed to provide a dedicated funding source for repayment of the bond. A revenue bond such as this can only fund capital expenses, such as new construction, building rehabilitation, land acquisition and land banking, and must be spent within three years.</p> <p><i>What will be achieved:</i></p> <ul style="list-style-type: none"> • Acquire federally subsidized properties that have expiration dates • Support the rehabilitation of existing multi-family complexes, primarily in 2040 Centers and Corridors • Negotiating incentive conditions to build or preserve affordable work force housing • Minimize the disparity in property tax base capacity of jurisdictions • Reduce the stress on public service such as the transportation system impacted by jobs-housing imbalance • Reduce the stress on schools (increasing class size and free lunch) due to out migration of low income households to the suburbs, including Vancouver • Avoid shifting the burden of low income housing from one jurisdiction to another 	<ul style="list-style-type: none"> • Local governments should help raise public awareness of their housing needs. • Local governments should support the creation of a \$10 million revenue bond financed using Metro’s general taxing authority to increase the supply of housing choices. • Metro should establish the initial fund with a \$10 million revenue bond. [The Portland \$10 million Housing Opportunity Bond should be emulated] • Metro should form a tax study committee to identify the need for and collection, allocation, and administration of a tax to finance the \$10 million revenue bond for housing. • Metro should amend the Regional Framework Plan to establish a funding program that will address any associated issues of a regional housing fund.
B	<p>A \$50m/yr Fee-based Revenue</p> <p>In the long term, a Real Estate Transfer Fee (RETF) or a Document Recording Fee (DRF) could provide a substantial and permanent source of funding for affordable housing. A RETF on residential property could provide a permanent fund of \$50</p>	<ul style="list-style-type: none"> • Local governments should join the Housing Alliance, if they have not already done so. • Metro should create support for a RETF or DRF. • Metro should create a plan for administering an RETF or

Solutions		Explanation	Roles and Responsibilities
		<p>million annually for affordable housing. The RETF and DRF would require legislative action to implement.</p> <p><u>What will be achieved:</u></p> <ul style="list-style-type: none"> • Same as A 	<p>DR.F</p> <ul style="list-style-type: none"> • Housing Alliance should seek the cooperation of governments in the region.
C	Other funding sources	<ul style="list-style-type: none"> ❑ Urbanization windfall tax ❑ General obligation bond ❑ Condominium Conversion fee <p><u>What will be achieved:</u></p> <ul style="list-style-type: none"> • Same as A 	
Land Use & Regulatory			
A	Housing Survey	<p>A Housing Survey would provide actual numbers of affordable units that are built or preserved. The survey could reveal to the development community areas where they can take advantage to produce affordable work force housing, as well as revealing the potential mismatch of the location of affordable housing and services such as transportation infrastructure. The results would be used to recognize/support local effort.</p> <p><u>What will be achieved:</u></p> <ul style="list-style-type: none"> • Improve our monitoring system, and knowledge of housing built and preserved in 2040 Centers and other locations • Improve our knowledge of the relationship between housing and other issues (transportation system, school funding, etc) • Take out Title 7 reporting requirements on land use tools • Provide incentive conditions 	<ul style="list-style-type: none"> • Local governments should implement the survey and supplement it with additional data. • Metro should develop and implement a biannual local government survey. • Metro should score survey results to administer regional funds. • Metro should amend Title 7 compliance reporting to be more results-oriented. • Metro should incorporate survey results into a “community housing score” that can be used to as a factor in regional funding allocation.
B	Regional Policies: – UGB Expansion – Inclusionary Housing	<p>A change in regional land use policies could expand the opportunities for affordable housing development, including:</p> <p>UGB Expansion: UGB expansion decisions can be used to negotiate voluntary landowner commitments to provide workforce housing.</p> <p>Inclusionary Zoning: State law currently restricts this zoning. One possibility is considering the application of inclusionary zoning in UGB expansion. There is legal precedent for applying inclusionary zoning in expansion areas, since Metro has set a</p>	<ul style="list-style-type: none"> • Local governments should work with their stakeholders to trigger UGB expansion if voluntary inclusionary housing has been negotiated. • Metro should include language in its codes to use UGB expansion decisions to negotiate voluntary landowner commitments to provide workforce housing. • Local governments should support the removal of prohibitions on inclusionary zoning • Metro should work with its regional partners to pursue the

Solutions		Explanation	Roles and Responsibilities
		<p>precedent of treating these places differently through recent legislation that applies a higher level of fish and wildlife habitat protection to newly added areas than within the existing UGB.</p> <p><u>What will be achieved:</u></p> <ul style="list-style-type: none"> Negotiating incentive conditions to build or preserve affordable work force housing 	<p>possibility of removing prohibition on inclusionary zoning from state law</p>
C	Expedited Review/Technical Assistance	<p>The extra time required to go through the process and potential required amendments to a proposal may increase land holding costs, increase the cost of architectural designs, and increase the financing costs, and in addition increase the level of uncertainty, which impacts the ability of developers to provide affordable housing. Assessing existing regulatory review process will help determine how qualifying projects can be flagged for an expedited process.</p> <p><u>What will be achieved:</u></p> <ul style="list-style-type: none"> Reduced cost of building housing and passing the savings to potential owners and tenants 	<ul style="list-style-type: none"> Cities and counties should provide expedited review for a) homeownership housing for households at 100% MHI and below, and b) rental housing for households at 60% MHI and below. Metro should designate a specific person who should be designated as the “go-to contact” for these projects. Metro should work with cities and counties to assess existing regulatory review process to determine how qualifying projects can be flagged for an expedited process. Metro should place emphasis on assisting affordable housing developers in preparing complete applications, since the State 120 day rule mandates prompt review once an application is determined to be complete. Metro should develop in-house expertise or work with other experts (e.g., Portland Housing Development Center) to expand programs to provide technical assistance to cities that are too small to designate a person to shepherd qualifying projects through the process.
Address as part of New Look			
A	Parking Requirements and Management	<p>Parking requirements and management solutions include updating regional parking ratio requirements to consider lower minimums, maximums, and locations where they apply; implementing parking management requirements in centers to raise the money needed for community improvements such as structured parking, urban plazas, and improvements to create more pedestrian friendly streets.; implementing parking management requirements in centers as part of Functional Plan compliance.</p> <p><u>What will be achieved:</u></p> <ul style="list-style-type: none"> Reduced cost of building housing and passing the savings to potential owners and tenants 	<ul style="list-style-type: none"> Local governments should update local parking ratio requirements Local governments should implement parking management requirements in centers Metro should update its regional parking ratio requirements to consider lower minimums, maximums, and locations where they apply. Metro should also implement parking management requirements in centers to raise the money needed for community improvements such as structured parking, urban plazas, and improvements to create more pedestrian friendly streets. Metro should consider regional requirements to implement

Solutions		Explanation	Roles and Responsibilities
			parking management in centers as part of Functional Plan compliance.
B	Complete Communities	<p>Planning for complete communities includes housing choices for people of varying income levels and household type; development in centers, along corridors, and in other transit-friendly locations should include amenities for families with children and residents of all incomes, including mid-range grocery stores (e.g., Fred Meyer, Safeway, WinCo Foods), playgrounds and parks, schools, and daycare centers.</p> <p><u>What will be achieved:</u></p> <ul style="list-style-type: none"> • Reduce the stress on public service such as the transportation system impacted by jobs-housing imbalance • Reduce the stress on schools (increasing class size and free lunch) due to out migration of low income households to the suburbs, including Vancouver 	<ul style="list-style-type: none"> • Local governments and Metro should create an inventory of publicly owned land located in transit-friendly locations that could be used for affordable housing, particularly to identify opportunity areas in centers. • Metro should review Coalition for a Livable Future equity atlas to identify the spatial distribution of resources and help identify potential locations for affordable housing. • Metro should plan for complete communities that include housing for people of varying income levels and household type.
C	Encouraging Development in Centers and Corridors	<p>Corridors and centers can serve as good locations for affordable housing. Opportunities to encourage development of affordable housing in corridors include zoning changes, leveraging public investments to improve streetscapes, and educating property owners on benefits of changing land use, and conducting further research to determine where building height limitations are a problem. Design solutions and case studies can be identified to integrate increased building heights in residential areas, increasing the possibility of additional units.</p> <p><u>What will be achieved:</u> Same as A and B</p>	<ul style="list-style-type: none"> • Local governments and Metro should conduct further research to determine where building height limitations are a problem, and consider where it is most appropriate to increase building heights (e.g., regional centers, town centers, corridors), and the most effective means to accomplish increasing building heights. • Local governments and Metro should identify design solutions and case studies to integrate increased building heights in residential areas, especially in the transition areas between single-family and multi-family neighborhoods. • Metro should re-evaluate zoning in corridors and assess potential of encouraging more housing.
D	Decrease construction costs by replacing design requirements with Form-based Codes	<p>Form-based codes, which focus on urban form over a building's use or materials (as is the case with conventional zoning codes), can achieve many of the same goals as conventional zoning, while allowing developers flexibility in materials and some elements of design. Form-based codes address the physical form of building and development, community or neighborhood character and vision, and prevents actions that encourage inefficient use of land. "Urban Form" includes the relationship of buildings to each other, to streets, and to open spaces.</p> <p><u>What will be achieved:</u></p> <ul style="list-style-type: none"> • Reduced cost of building housing and passing the savings to potential owners and tenants 	<ul style="list-style-type: none"> • Local governments should evaluate opportunities to implement form-based codes in place of design standards to reduce cost of building housing, especially in centers and corridors. • Metro should evaluate opportunities to implement form-based codes in place of design standards to reduce cost of building housing, especially in centers and corridors.

Solutions	Explanation	Roles and Responsibilities
Convening & Technical Assistance		
A	<p>Convener</p> <p>HCTF identified an important role for Metro to convene local governments interested in addressing their challenges and barriers, overcoming the obstacles, and taking the next steps toward spurring affordable work force, elderly and persons with disabilities housing development. A convener plays the important role of bringing various interested parties together, such as local governments and the development community, to address challenges and barriers, overcoming the obstacles, and taking the next steps toward spurring affordable work force, elderly and persons with disabilities housing development.</p> <p><u>What will be achieved:</u></p> <ul style="list-style-type: none"> • Help local governments that want help to identify opportunities that will help them create partnerships that will increase affordable work force housing <u>built</u> and <u>preserved</u> in their communities • Minimize the disparity in property tax base capacity of jurisdictions • Avoid shifting the burden of low income housing from one jurisdiction to another 	<ul style="list-style-type: none"> • Local governments should participate in a workgroup similar to the Wilsonville Pilot Project Team to help them meet their Affordable Housing Production Goals. • Metro should act as a convener for future projects.
B	<p>Housing Needs Assessment/Basic Market Study</p> <p>A Housing Needs Assessment/Basic Market Study would equip local governments with the data they need to have conversations with community stakeholders (elected officials, neighbors, land owners, etc) about why affordable housing should be a priority and about who might be served by a proposed project.</p> <p><u>What will be achieved:</u></p> <ul style="list-style-type: none"> • Same as A 	<ul style="list-style-type: none"> • Local governments should work with a consultant, under a Metro contract, to populate the model, review the data and prepare a basic Housing Needs report. • Metro should take the opportunity to suggest adjustments to the State Housing model so that the Metro Title 7 Affordable Housing Goals across the <i>range</i> of housing affordability are reflected.
C	<p>Available Land Inventory</p> <p>An Available Land Inventory would provide local governments and the affordable housing development community with a “portfolio” of developable sites in the 2040 Centers, Corridors and other locations that are suitable for affordable, mixed use/mixed income and “smart” development. The portfolio should show some key ownerships—public lands, faith based ownerships, key employers, etc.—who may be encouraged or incented to support affordable housing development.</p>	<ul style="list-style-type: none"> • Metro staff should utilize Metro data to assemble an Available Land Inventory. • Local governments should use this inventory to monitor pending development opportunities and be prepared to intervene to urge or support the accomplishment of Title 7 goals.

Solutions		Explanation	Roles and Responsibilities
		<p><u>What will be achieved:</u></p> <ul style="list-style-type: none"> • Same as A 	
D	Model Affordable Housing Approval and Development Conditions	<p>A guidebook of model approval and development conditions could be adopted by jurisdictions to achieve Metro Functional Plan Title 7 goals. The guidebook would illustrate model approval and development conditions for jurisdictions to require or incent inclusion of affordable housing in the 2040 Centers, Corridors and other locations – as prescribed by the jurisdiction’s assessment, across a range of circumstances:</p> <ul style="list-style-type: none"> • New development with planning approvals required • New land taken into the UGB • New development in the 2040 Centers and Corridors • Public properties being sold • Public facilities being built (e.g. Multnomah County library adding housing above library) • Sale or transfer of existing properties housing converting to higher income use (no net loss) • Advocacy by City to other public land owners (e.g. ODOT, GAO, school districts) to require inclusion of affordable housing in their disposition strategy, contribute land to a non-profit for affordable housing use, or provide a below-market sale to developer who incorporates affordable units. <p><u>What will be achieved:</u></p> <ul style="list-style-type: none"> • Same as A 	<ul style="list-style-type: none"> • Local governments should use the annexation process to negotiate the provision of affordable work force housing • Local governments should interpret the model approval and development conditions and incorporate them into their frameworks. • Metro or contract legal counsel, “borrowing” from jurisdictions with successful regulatory framework, should provide a guidebook of model approval and development conditions that could be adopted by jurisdictions to achieve Metro Functional Plan Title 7 goals.
E	Illustrated Affordable Housing Toolbox	<p>An Illustrated Affordable Housing Toolbox would provide outline summaries of financial tools that increase affordability for homeownership and rental housing, including a “non-technical” presentation of the importance of these tools in increasing affordability and leveraging other affordable housing resources. The report can list standard tools used by the industry, and highlight those tools that are available to local governments. This product should help to quantify the “value” of each type of subsidy. It should also help jurisdictions understand how much assistance is needed from the local government (as opposed to other sources).</p> <p><u>What will be achieved:</u></p> <ul style="list-style-type: none"> • Same as A 	<ul style="list-style-type: none"> • Local governments should use this Toolbox to understand how much assistance is needed from the local government (as opposed to other sources) for affordable housing development. • Metro should contract with an affordable housing consultant to an Illustrated Affordable Housing Toolbox.

Solutions		Explanation	Roles and Responsibilities
F	Communication and Awareness	<p>A communication plan that utilizes visuals could help local governments and other entities involved in housing development to visualize what affordable housing looks like, how it operates in the community, and how it can be built in the 2040 Centers, Corridors and other locations in the region.</p> <p><u>What will be achieved:</u></p> <ul style="list-style-type: none"> • Same as A 	<ul style="list-style-type: none"> • Metro should develop a communication plan utilizing visuals. Utilizing existing projects in the region, Metro could provide funding to give project tours, or produce media materials (video, interactive CD, printed case studies).
Preservation of Affordable Housing			
A	Federally Subsidized Affordable Housing With Expiring Contracts	<p>One purpose of the planned housing supply reporting survey is to identify and insure that local governments have timely information about the expiration dates of existing federally subsidized apartments that are located in their community. Successful efforts to preserve that housing, along with the substantial federal funding that is required to maintain affordable rents, will receive credit towards accomplishment of each community's affordable housing goals.</p> <p><u>What will be achieved:</u></p> <ul style="list-style-type: none"> • Monitor federally subsidized properties that have expiration dates and make it possible for partnerships to be created to buy and preserve the properties 	<ul style="list-style-type: none"> • Local governments should use the housing supply reporting survey to identify the expiration dates of existing federally subsidized apartments located in their community, and work with non-profits developers, county housing authorities and HUD to raise funds to buy and preserve the properties. • Non-profit developers work with the county housing authorities and HUD to raise funds to buy and preserve expiring federally subsidized apartments.
B	Condominium Conversion	<p>Affordably priced condominium conversions can help create homeownership in neighborhoods where there is a rental surplus for low-to-middle income residents but a lack of ownership opportunities. New condominium developments are credited with bringing stability to developing neighborhoods. Condominiums have the potential to provide an increase in the supply of housing choices; however, the average condominium price is also rising, and some conversions can result in a loss of affordable rentals. Prior residents must relocate, often away from work and services, and add to the competition for remaining units at their income level.</p> <p><u>What will be achieved:</u></p> <ul style="list-style-type: none"> • Avoid shifting the burden of low income housing from one jurisdiction to another • Minimize the disparity in property tax base capacity of jurisdictions 	<ul style="list-style-type: none"> • Local governments should work regional partners to pursue the possibility of legislatively requiring condominium conversion notification to give them a chance to look at nonprofit purchase alternatives or otherwise find funding. • Local governments can provide loans and technical assistance to help homeowners buy and manage their manufactured housing parks as cooperatives. • Local governments should use model condominium conversion ordinances developed by Metro. • Local governments should assist in the development and implementation of Condominium Conversion Fee. • Metro should work with its regional partners to pursue the possibility of legislatively requiring condominium conversion notification to give local governments a chance to look at nonprofit purchase alternatives or otherwise find funding. • Metro or contract legal counsel should develop model condominium conversion ordinances that could be adopted by local governments to address the grave difficulties

Solutions		Explanation	Roles and Responsibilities
			<p>experienced by tenants who are evicted due to conversion.</p> <ul style="list-style-type: none"> • Metro and local governments should form a “Condominium Conversion Fee study committee to identify the need for and collection and use of condominium conversion fee.
C	Manufactured Home Park	<p>Mobile Home Parks are one of the last remaining affordable ownership opportunities for seniors and low-income earners. Although there is a law requiring Oregon Housing and Community Services (OHCS) to be given 365 days notice prior to the closure of a Mobile Home Park, many owners do not comply. Since 1997, 47 parks have closed statewide—a total of 1,312 spaces. Within the UGB, OHCS currently estimates that there are 231 parks and 15,867 spaces.</p> <p><u>What will be achieved:</u></p> <ul style="list-style-type: none"> • Same as B 	<ul style="list-style-type: none"> • Local governments should work regional partners to pursue the possibility of legislatively allowing manufactured home park residents to form their own LLC Co-op and buy the park. • Local governments should develop and adopt ordinances to mitigate the impact of mobile home park closure to tenant and the jurisdiction. • Metro should work with its regional partners to pursue the possibility of legislatively allowing manufactured home park residents to form their own LLC Co-op and buy the park. The LLC Co-op would own a share in a corporation, not an undivided share of the land.
D	Demolition/ Teardown	<p>In areas where land is scarce and land values are high, the existing housing stock is subject to teardowns and replacement with higher-value homes. Due to speculation, some of the newer, larger houses remain vacant investment properties.</p> <p><u>What will be achieved:</u></p> <ul style="list-style-type: none"> • Same as B 	<ul style="list-style-type: none"> • Local governments should develop and adopt ordinances to mitigate the impact of teardown, including consideration of “No Net Loss” strategy, a teardown fee, conditioning of conversion based on the availability of adequate replacement units for tenants, funding a low-cost loan program to assist owners of low and moderately priced homes in rehabilitation.
<i>Wilsonville Pilot Project Implementation</i>			
A	Pilot Project	<p>The key instrument for testing the convener role for Metro explained above was a pilot project that was managed by some HCTF members volunteering to work with communities as a consulting team to identify opportunities in local jurisdictions, and assemble a portfolio of possible housing developments that would serve families with a range of incomes. Under the guidance of the Wilsonville Planning Department, the HCTF initially identified more than 20 vacant public and privately owned sites for the Pilot Project. Those that emerged as priorities are the SMART site owned by the City; the future Commuter Rail station site, owned by the City and Washington County, and the Post Office site, owned by the federal government. The next step was determining how to meet some the City housing need with these sites.</p> <p><u>What was achieved:</u></p> <ul style="list-style-type: none"> • Rental and ownership deficit and surplus 	<ul style="list-style-type: none"> • Metro should continue the convening of local governments and experts through the Pilot Project Policy, as stated above under “Convener and Technical Assistance.” <p><u>Recommendations for City of Wilsonville</u></p> <ul style="list-style-type: none"> • <u>Trust Fund:</u> Establish a bridge loan to buy rent-restricted apartments funded with federal and state subsidy. The City may not buy the property directly, but can mobilize a non-profit to do so. Bridge financing or other tools are also critical for non-restricted low rent housing such as privately-owned apartments or mobile home parks. A designated fund can be used for the purchase of rent-restricted apartments or for units with expiring subsidies. • <u>Employees that commute:</u> Estimate the percentage of these residents for whom Wilsonville should strive to provide housing.

Solutions		Explanation	Roles and Responsibilities
		<ul style="list-style-type: none"> • Potential sites for senior and work force housing • Challenges such Old Town and Town Center areas are the best locations for new senior residences (as City allow pedestrian access to residential services), and privately owned market-rate rental properties that are currently providing affordable housing will be candidates for sale/conversion as land demand rises. • Lessons that can be shared with other communities 	<ul style="list-style-type: none"> • <u>Retention of rental units</u>: Develop strategies to preserve existing units that are currently renting to the very low-income households in <30% MFI income bracket, such as a condo conversion ordinance that requires that the city be notified in advance of condo conversions, as existing tenants are. • <u>Retention of ownership units</u>: Develop strategies to preserve existing ownership units that are currently affordable to households in <30%, 30% to 60% and 60 to 73% MFI income brackets; • <u>Subsidization of current rental units</u>: A surplus of rental units (1,113 units in the \$430-\$664 and \$665-\$909 ranges) suggests the need to subsidize these developments to make them affordable to very lower income households currently in the \$0 - \$429 rental affordability bracket¹. A local government can create a mechanism for a property tax exemption or fee waiver, which would in turn allow lower rents. • <u>Future ownership units</u>: The demonstrated need for ownership units at almost every income level indicates a need to build more housing units, such as townhouses, detached dwellings, short towers and senior housing. • <u>Future annexation</u>: Negotiate the provision of affordable work force housing as a condition for annexation and approval of development plan.

OTHER ISSUES TO BE RESOLVED		
A	How to measure local governments performance: <ol style="list-style-type: none"> Outcome based (units built and/or preserved) Effort based (staff and resource allocation) Both outcome and effort 	<ul style="list-style-type: none"> • Replace current reporting requirements on land use and non-land use that is mostly administrative with a reporting system that focus on result oriented report • Local governments should be required to assist Metro to complete the housing supply survey.
B	Metro staffing and budget (see accompanying table)	Commit resources to: <ul style="list-style-type: none"> • Resource development (e.g., removing the ban on RETF) • A housing program (with a faces on it?) • Technical assistance

¹ Or investigate opportunities to convert some of these units to ownership units that would offer affordable to residents who are in the \$20,000 to \$50,000 income bracket?

MPAC agenda Item #7 – Open Spaces Bond Measure

There will be a PowerPoint presentation provided at the meeting with discussion to follow.