

A G E N D A

600 NORTHEAST GRAND AVENUE PORTLAND, OREGON 97232-2736



METRO

TEL 503-797-1540 FAX 503-797-1793

MEETING: METRO POLICY ADVISORY COMMITTEE

DATE: March 8, 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			2 min.
3	CONSENT AGENDA <ul style="list-style-type: none">February 22, 2005	Kidd	Decision	3 min.
4	COUNCIL UPDATE	Hosticka		5 min.
5	GPAC REPORT ON ACTIVITIES	Mike Ragsdale	Update	10 min.
6	EXPANSION AREA PLANNING FUND	Newman	Action	30 min.
7	OPEN SPACES BOND MEASURE	Carlson/Desmond	Action	10 min.
8	HOUSING CHOICE TASK FORCE FINAL REPORT	Burkholder/Liberty	Discussion	55 min.

UPCOMING MEETINGS:

MPAC: March 22, 2006 & April 12, 2006

MPAC Coordinating Committee, Room 270: April 12, 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.

To receive assistance per the Americans with Disabilities Act,
call the number above, or Metro teletype 503-797-1804.

To check on closure or cancellations during inclement weather please call 503-797-1700.

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.
---------	---

Vote:	The motion passed unanimously.
-------	--------------------------------

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.
---------	--

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.
-------	--------------------------------

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

Agenda Item No. 5: GPAC Report on Activities

Mr. Mike Ragsdale, GPAC Chair, will give a verbal update on the Greenspaces Policy Advisory Committee.

February 2, 2006

**Expansion Area
Planning Fund
Committee**

**Chuck Becker
Mayor, City of Gresham**

**Tom Brian
Washington County Board
of Commissioners**

**Jim Chapman
President, Home Builders
Association**

**Diana Godwin
Land Use Attorney**

**Gil Kelly
Planning Director, City of
Portland**

**John Hartsock
City Councilor, City of
Damascus**

**Holly Iburg
Project Manager, Newland
Communities**

**Wally Mehrens, Columbia
Pacific Building Trades**

**Bud Moore
Deputy Superintendent of
Beaverton School District**

**Ryan O'Brien
Land Development
Specialist**

**Bob Stacey
Executive Director, 1000
Friends**

**Ex-Officio Non-Voting
Members**

**David Bragdon
Council President, Metro**

**Michael Jordan
Chief Operating Officer,
Metro**

Council Liaison

**Brian Newman
Councilor, Metro**

To the Metro Council:

The Expansion Area Planning Fund (EAPF) Committee is pleased to forward the final report and recommended actions of the committee to the Metro Council.

The committee reached this decision with a vote of five (5) yeas, zero (0) nays, and one (1) abstention. A minority report follows the recommended actions of the committee.

The charge and focus of the Committee was narrow in scope: to identify the need, distribution and mechanism for funding concept and comprehensive planning in the 2002 and 2004 Urban Growth Boundary Expansion Areas. The Committee determined that a regional need for such funding does exist, and that a construction excise tax is the best available means for creating such a fund.

The construction excise tax is a tool designed to get at the specific issue of funding planning in new areas. However, the Committee would like to acknowledge that it supports regional growth goals in urban areas, and the continuing efforts to reach these goals through funding center and corridor planning and transit oriented development.

Additionally, in order to support local government capacity to plan for new areas, the Committee encourages Metro staff be more proactively involved early on in the planning process. Peer review and peer participation can be used to bolster the ability of local jurisdictions to produce quality plans, as in the Damascus planning process.

An additional charge of the Committee was to determine whether a portion or additional percentage of the chosen funding mechanism should be allocated for the construction of affordable housing across the region. The Committee recommends that this proposed construction excise tax should be associated with concept and comprehensive planning purposes only. However, the Committee does recommend that building permits for the construction and rehabilitation of affordable housing be exempted from this tax. The Committee would like to acknowledge the current efforts of the Housing Choice Task Force, which is addressing the needs of affordable housing across the region, including identifying funding mechanisms for an affordable housing fund. The EAPF Committee supports these efforts and the importance of addressing affordable housing needs, and feels that the Housing Choice Task Force is the appropriate forum for these efforts.

Under the category of process the committee recommends that the Council offer MPAC the opportunity to comment on these recommendations before moving forward with a decision.

The committee would like to thank the Metro Council for the opportunity to examine these important issues and make recommendations. The committee hopes that its efforts will aid the Council in identifying a solution to expediting concept and comprehensive planning in the 2002 and 2004 Urban Growth Boundary Expansion Areas.

Attached: Expansion Area Planning Fund (EAPF) Committee Final Report

**Expansion Area Planning Fund Committee (EAPF)
Recommended Actions on the Need, Distribution and Mechanism for
Funding Concept and Comprehensive Planning in the 2002 and 2004 Urban
Growth Boundary Expansion Areas**

Presented to the Metro Council

February 2, 2006

Expansion Area Planning Fund Committee Members

Chuck Becker, Mayor, City of Gresham
Tom Brian, Washington County Board of Commissioners
Jim Chapman, President, Home Builders Association
Diana Godwin, Land Use Attorney
Gil Kelly, Planning Director, City of Portland
John Hartsock, City Councilor, City of Damascus
Holly Iburg, Project Manager, Newland Communities
Wally Mehrens, Columbia Pacific Building Trades
Bud Moore, Deputy Superintendent of Beaverton School District
Ryan O'Brien, Land Development Specialist
Bob Stacey, Executive Director, 1000 Friends

Ex-Officio Non-Voting Members

David Bragdon, Council President, Metro
Michael Jordan, Chief Operating Officer, Metro

Council Liaison

Brian Newman, Councilor, Metro

Metro Staff

Dan Cooper, Metro Attorney, Metro
Alison Kean Campbell, Senior Attorney, Metro
Ken Ray, Senior Public Affairs Specialist, Metro
Randy Tucker, Legislative Affairs, Metro
Ray Valone, Principal Regional Planner, Metro
Reed Wagner, Policy Specialist, Metro
Dennis Yee, Forecasting & Modeling, Metro
Daniel Lerch, Policy Intern, Metro
Lake McTighe, Policy Intern, Metro

Table of Contents

Background.....4

Policy Development.....4

Committee Process.....5

Data and Analysis.....5

Recommended Actions.....6

Minority Report.....8

Appendices.....9

Appendix I Resolution NO. 05-3626A

Appendix II *Table* Title 11 New Planning Areas

Appendix III *Map* Funding Status of 2002 UGB Expansion Areas

Background

Of the 2002 and 2004 Urban Growth Boundary (UGB) Expansions over 6,000 acres remain unplanned (see Appendices II and III for a map and table of these areas). The Metro Ordinances that brought the land into the UGB specify that the city or county with land use planning responsibility for the new areas complete Title 11 planning within two years (the timelines for some areas are longer). Several of the deadlines for compliance expired in March 2005, because many of the local jurisdictions responsible for completing the Title 11 planning requirements do not have the funding to do so. Development in these areas is stalled until comprehensive plans are adopted.

Policy Development

On October 13, 2005, the Metro Council passed RESOLUTION NO. 05-3626A (see Appendix I) establishing a tax study committee. The Expansion Area Planning Fund (EAPF) Committee was charged with identifying the need, distribution and mechanism for funding concept and comprehensive planning in the 2002 and 2004 Urban Growth Boundary Expansion Areas.

Specifically, the EAPF Committee was charged to advise the Metro Council on the following questions:

- a. How large is the regional need for concept and comprehensive planning?
- b. How should the funds be distributed? Are certain areas prioritized?
- c. Should the funds accompany other resources?
- d. What role should Metro play?
- e. What role should local jurisdictions play?
- f. What mechanism should be used for capturing this fee?
- g. What administrative processes and costs should be considered in regards to this fee?
- h. What should be the time period for this fee, should it sunset?
- i. What mechanism should be used to satisfy long-term needs? How can this source of funding be more directly linked to the areas that benefit?
- j. Should this funding mechanism include a portion or additional percentage for construction of affordable housing across the region?

Committee Process

The Expansion Area Planning Fund (EAPF) Committee was comprised of eleven members, two ex-officio non-voting members, and a Metro Council liaison. The committee served on a short-term basis and met five times from November 9, 2005 through January 18, 2006. The original conclusion date for the committee was December 15, 2005; the committee agreed to extend this deadline in order to conduct further outreach with local leaders and jurisdictions. Not all committee members were able to attend every meeting; in most cases an alternate attended.

The committee agreed to use modified consensus with a minority dissenting report to reach decisions. Metro staff served as technical and administrative support to the committee and provided background information.

Various committee members and Metro Councilors participated in outreach discussions with local area leaders to inform them of the committee's work, gain their insight, and answer questions. This issue was also discussed at the October 12, 2005 Metro Policy Advisory Committee (MPAC) meeting and the December 7, 2005 Metro Technical Advisory Committee (MTAC) meeting.

Data and Analysis

The committee utilized the following data to analyze the issue and answer the questions set forth by the Metro Council (see Appendices):

- Acreage and background information on UGB Expansion Areas that have not yet been planned
- Local jurisdictions estimations of planning costs through comprehensive plan adoption
- Totals of building permit values for Clackamas, Multnomah, and Washington Counties for the years 2003-2004
- Construction Excise Tax modeling based on various ceilings and floors
- Estimated construction costs for affordable housing units constructed between 2003 and 2004
- Draft Metro Code Chapter for a New Construction Excise Tax
- Draft Administrative Rules: Metro Code Chapter 7.04
- Sample Intergovernmental Agreement (IGA)

Recommended Actions

The Expansion Area Planning Fund (EAPF) Committee recommends that the Metro Council adopt an ordinance to impose a region wide construction excise tax (CET) on all new building permits applied for within Metro's boundaries for the purpose of funding and expediting concept and comprehensive planning and development in the 2002 and 2004 Urban Growth Boundary Expansion Areas.

The EAPF Committee reached this recommendation with a majority vote of five (5) and one (1) abstention. The remaining five (5) members of the committee were unable to attend the final meeting.

a. How large is the regional need for concept and comprehensive planning?

Over 6,000 acres of land brought inside the Urban Growth Boundary remains unplanned (see Appendices II and III for a list and map of these areas).

The committee determined that there is a regional need for a funding source for concept and comprehensive planning, and identified lack of funding as the major hurdle to development of these new areas.

The total cost of concept and comprehensive planning (through comprehensive plan adoption) for these areas was derived from estimates provided by the local jurisdictions. The estimated total amount is approximately \$5,628,000 (see Appendix II for the estimated amount for each individual area).

b. How should the funds be distributed? Are certain areas prioritized?

- The committee recommends that local jurisdictions apply for the funding and it be distributed as planning milestones are completed.
- Funding should be distributed in the form of grants as areas move forward with the planning process and demonstrate that they are completing the process according to the requirements laid out in Title 11 of the Urban Growth Management Functional Plan.
- Planning through comprehensive plan adoption should be covered.
- Concept and comprehensive planning (through adoption of the comprehensive plan) should be within a standard timeline of 18 months, with exceptions considered on an individual basis.
- Prioritization of areas should not be necessary because all areas that apply for funding should be funded.

- The committee recommends that the Metro Council consider frontloading funds from Metro's general account in anticipation of revenues from the CET, in order to expedite planning.
- The committee recommends that jurisdictions can apply for funds to cover planning costs incurred after January 1, 2006, in the 2002 and 2004 UGB expansion areas. Costs incurred before January 1, 2006 will not be funded.

c. Should the funds accompany other resources?

The committee recommends that funding from the CET revenues should be combined with other sources of funding (such as TGM grants, city funds, and developers) whenever possible.

d. What role should Metro play?

The committee recommends that Metro hold the CET revenue collected in a separate account within Metro's general account. Metro would distribute the funds, working with local jurisdictions to determine appropriate milestones for the completion of planning and the distribution of funds as laid out in individual IGAs.

e. What role should local jurisdictions play?

The committee recommends that local jurisdictions collect the CET revenues when building permits are processed and pass the revenue to Metro. Local jurisdictions will apply for the funding and work with Metro to establish the appropriate timelines and milestones for the completion of planning and the distribution of funds as laid out in individual IGAs.

f. What mechanism should be used for capturing this fee?

The committee discussed various funding mechanisms for capturing a fee. The Construction Excise Tax (CET) on building permit values was determined to be the best funding mechanism because of its clear nexus with development of the expansion areas.

A CET is a tax on new residential and commercial/industrial building permits (including remodels and additions) and, in this case, is based on the value attached to the building permit. The tax would only apply to building permits within Metro's boundaries.

The committee recommends that:

- collection of the tax begin July 1, 2006
- building permit values below \$100,001 are exempted from the tax

- the tax be .1% of the value of the building permit (a building permit value of \$250,000 would generate \$250)
- there be no cap on the amount collected per building permit
- approximately \$2 million a year be collected for three years; the final amount to be collected will be determined based on IGAs
- the tax sunset after three (3) years
- affordable housing development building permits be exempt from the tax

g. What administrative processes and costs should be considered in regards to this fee?

The committee recommends that no more than 5% of the total revenue collected be used for administration costs. The committee also recommends utilizing existing administrative structures and processes for the collection of the tax. To streamline the process and keep costs down, and because the administrative processes of jurisdictions will vary, the committee recommends that Metro staff communicate early with permit processing divisions to determine administrative needs and costs.

h. What should be the time period for this fee, should it sunset?

The committee recommends that the fee sunset after three (3) years.

i. What mechanism should be used to satisfy long-term needs? How can this source of funding be more directly linked to the areas that benefit?

The committee recommends that long-term needs be addressed through discussion in the 2007 legislative session. The committee also recommends that once the CET sunsets, if no other funding mechanism has been identified, that this CET is reviewed for the possibility of extending the process and creating a revolving fund in which areas that receive funding from the CET could fund future expansion areas.

j. Should this funding mechanism include a portion or additional percentage for construction of affordable housing across the region?

The committee recommends that this CET be associated with concept and comprehensive planning purposes only. The committee also recommends that building permits for the construction and rehabilitation of affordable housing be exempted from this tax. The committee recognizes the work of the Housing Choice Task Force currently looking at regional affordable housing needs and solutions and believes that this is the best forum to address regional funding solutions for affordable housing.

Minority Report

For some jurisdictions, predominately those on the Westside, a few issues remain regarding a construction excise tax that would fund planning in the 2002 and 2004 Urban Growth Boundary Expansion Areas. One issue is that these local jurisdictions feel that in most cases, they will be able to identify the necessary resources to complete concept and comprehensive planning on their own with mechanisms other than the construction excise tax (such as developer fees). These jurisdictions want the opportunity to pursue these other funding sources before supporting a regional funding solution.

A second concern is the perception that a regional funding solution will add an extra layer of unneeded bureaucracy. These jurisdictions do not want to collect the tax, send it to Metro, only to have to apply to Metro to redistribute the funds back to local jurisdictions through grants with attendant reporting requirements and possibly planning requirements beyond those already in place. Most of the jurisdictions want any taxes collected locally to remain in local hands and be used in the jurisdiction near where they are collected.

Appendices

Appendix I - Resolution NO. 05-3626A

Appendix II – *Table* Title 11 New Planning Areas

Appendix III - *Map* Funding Status of 2002 UGB Expansion Areas

Additional Materials on file:

- Meeting Agendas
- Meeting Minutes
- Committee member contact list
- Housing Choice Task Force memos regarding affordable housing
- Local jurisdiction communications on planning costs
- *Table* Building Permit Values
- *Draft* Administrative Rules: Metro Code Chapter 7.04
- *Draft* Metro Code Chapter for a New Construction Excise Tax
- Sample Intergovernmental Agreement (IGA)
- Title 11, Metro Functional Plan
- Committee members, Metro Councilor, Metro staff, and local jurisdiction email communications

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ESTABLISHING AN) RESOLUTION NO. 05-3626A
EXPANSION AREA PLANNING FUND COMMITTEE) Introduced by
Metro Council President
David Bragdon

WHEREAS, Metro has taken a leadership role in identifying regional fiscal needs associated with concept and comprehensive planning for areas added to the Urban Growth Boundary; and

WHEREAS, the implementation of concept and comprehensive planning in areas added to the Urban Growth Boundary is consistent with state statute, the Metro Code, and will help to implement Metro's 2040 growth concept; and

WHEREAS, discussions with regional elected officials, developers, municipal planning staff, Realtors, and representatives of the general population generally encouraged the establishment of a revenue study committee to develop a mechanism for the funding of concept and comprehensive planning; and

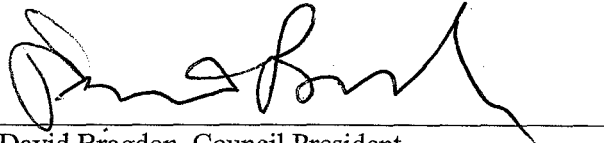
WHEREAS, the Metro Council adopted Ordinance No. 00-860A, on November 9, 2000 "For the Purpose of Adding a New Chapter 2.19 to the Metro Code Relating to Advisory Committees," amended by Ordinance 02-955A, on June 27, 2002 "For the purpose of amending chapter 2.19 of the Metro Code to conform to the charter amendments adopted on November 7, 2000," and authorized under Metro Code No. 2.19.200 "Tax Study Committee" and the creation and purpose states that "before considering the imposition of any new tax or taxes, which do not require prior voter approval under the Charter, the Council shall create a tax study committee by adoption of a resolution";

NOW, THEREFORE, BE IT RESOLVED BY THE METRO COUNCIL THAT,

1. The Metro Council hereby establishes an Expansion Area Planning Fund Committee to serve as the tax study committee authorized under Ordinance No. 00-860A and hereby appoints the Committee Chair and committee members as set forth in Exhibit A attached hereto and incorporated herein;


2. The Tax Study Committee shall meet 3 to 4 times between now and December 15, 2005, with administrative and technical support from the Metro staff, and the committee shall advise and make recommendations to the Metro Council regarding aspects of the need, distribution and mechanism for funding concept and comprehensive planning as more specifically set forth in Exhibit B attached hereto, and the Committee shall return to the Metro Council by December 15, 2005 with specific recommendations.

ADOPTED by the Metro Council this 13th day of October, 2005.



David Bragdon, Council President

Approved as to Form:



Daniel B. Cooper, Metro Attorney

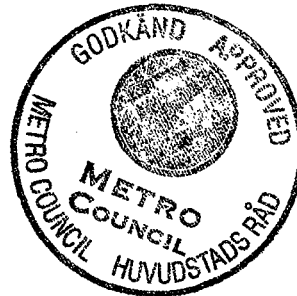


Exhibit A
Resolution 05-3626A

The Expansion Area Planning Fund Committee is being asked to serve on a short term basis, beginning in late October and concluding by December 15th, 2005, and meet 3 to 4 times to analyze funding mechanism options for concept and comprehensive planning in the Metro Region. Metro staff will serve as technical and administrative support to the committee and provide background information.

11 Metro residents have been identified as possible committee members. They are

Ryan O'Brien	Land Development Specialist
Jerome Colonna	Superintendent of Beaverton School District
Bob Stacey	Executive Director, 1000 Friends
Wally Mehrens	Columbia Pacific Building Trades
Diana Godwin	Land Use Attorney
Tom Brian	Chair, Washington County Board of Commissioners
Gil Kelley	Planning Director, City of Portland
John Hartsock	City Councilor, City of Damascus
Holly Iburg	Project Manager, Newland Communities
Jim Chapman	President, Home Builders Association
Chuck Becker	Mayor, Gresham

Exhibit B
Resolution 05-3626A

The Expansion Area Planning Fund Committee is being asked to serve on a short-term basis, beginning in late October and concluding by December 15th, 2005, and meet 3 to 4 times to analyze funding mechanism options for concept and comprehensive planning in the Metro Region. Metro staff will serve as technical and administrative support to the committee and provide background information.

The Committee will be asked to advise the Council on the following specific questions:

- a. How large is the regional need for concept and comprehensive planning?
- b. How should the funds be distributed? Are certain areas prioritized?
- c. Should the funds accompany other resources?
- d. What role should Metro play?
- e. What role should local jurisdictions play?
- f. What mechanism should be used for capturing this fee?
- g. What administrative processes and costs should be considered in regards to this fee?
- h. What should be the time period for this fee, should it sunset?
- i. What mechanism should be used to satisfy long term needs? How can this source of funding be more directly linked to the areas that benefit?
- j. Should this funding mechanism include a portion or additional percentage for construction of affordable housing across the region?

Following the completion of the Committee's work by December 15, 2005, they will issue their recommendations about the funding to the Metro Council. The Council will then ask the community at large to review and comment on those recommendations.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 05-3626A, FOR THE PURPOSE OF ESTABLISHING AN EXPANSION AREA PLANNING FUND COMMITTEE

Date: September 29, 2005

Prepared by: Reed Wagner

BACKGROUND

The majority of acreage added in the 2002 Urban Growth Boundary expansion has yet to be developed. It is argued by much of the development community and expansion area jurisdictions that the major hurdle in development, of these new Metro areas, is the lack of funding for concept and comprehensive planning. Initial discussions with developers, realtors, planners and elected officials from the Metro region suggests that a regional funding mechanism may be welcomed in an effort to expedite development in expansion areas.

ANALYSIS/INFORMATION

1. **Known Opposition** None known
2. **Legal Antecedents** According to Metro Code No. 2.19.200 "Tax Study Committee", "before considering the imposition of any new tax or taxes, which do not require prior voter approval under the Charter, the Council shall create a tax study committee by adoption of a ordinance;" Metro Council Ordinance No. 00-860A.
3. **Anticipated Effects** The identified committee of 11 will be convened and a recommendation will be made to the Metro Council by December 15, 2005 as set forth in Exhibit B to the Resolution.
4. **Budget Impacts** The impact includes a minimal amount of staff time, including data from the Data Resource Center, support by Metro's office of the Chief Operating Officer and Office of the Metro Attorney.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of this resolution.

Estimated Costs for Concept Planning and Comprehensive Plan Adoption

TITLE 11 NEW AREA PLANNING

Project/ Study Area	Total Acres	Dwelling Unit Capacity	Status of Funding for Concept and Comp. Planning	Unfunded Cost	Cost Status <ul style="list-style-type: none"> • Partially funded • Not funded
2002 UGB Expansion					
Park Place Master Plan (Areas 24, 25, 26)	512	577	City committed to funding concept planning effort. The city is anticipating financing most of the cost and is attempting to negotiate approximately \$90,000 from a private property owner in the area.	\$250,000	Not funded
Beavercreek Road (Area 26)	245	0	Industrial land. Total cost \$250,000. Recently received \$170,000 TGM grant for concept planning. The remaining cost will be funded by the city.	\$80,000	Partially funded
South End Road (Area 32)	919	413	No money or staff to take on third concept planning effort at this time. The city anticipates asking for an extension of the 2007 deadline.	\$250,000	Not funded
East Wilsonville (Frog Pond) (Area 45)	183	660	Developers have had discussions with city but no formal process has begun.	\$100,000	Not Funded
Northwest Wilsonville (Coffee Creek 1) (Area 49)	216	0	Designated by Metro as Regionally Significant Industrial Area. City had consultant do a preliminary urban reserve plan in 1998. City is working with developers/owners on revised master plan. Received TGM Grant (\$100,000).	\$50,000	Partially funded
Brookman Road (Area 54, 55)	231	914	City seeking grant funds for planning effort	\$150,000	Not Funded

Estimated Costs for Concept Planning and Comprehensive Plan Adoption

Project/ Study Area	Total Acres	Dwelling Unit Capacity	Status of Funding for Concept and Comp. Planning	Unfunded Cost	Cost Status <ul style="list-style-type: none"> • Partially funded • Not funded
Study Area 59	85	313	Metro Council approved Title 11 extension request to March 2006. City has started concept planning; 40-50% complete.	\$75,000	Partially funded
99W Area	18	0	Road Alignment	\$25,000	Not funded
Bull Mountain Area Study Area 63 and 64	258 and 262	688 and 1,047	Measure to annex to Tigard unincorporated area between city boundary and area added to UGB was defeated by voters in Nov 2004. County in talks with residents about future service provision and planning responsibility. Areas 63 and 64 will be planned together	\$745,00	Not funded
Cooper Mountain (Area 67)	507	1,019		\$213,000	Not funded
Study Area 69	384	884	Hillsboro developed South Hillsboro Concept Plan , which includes both areas 69 and 71 and other areas not brought into the UGB. Metro should be getting concept plan soon. Only the Northern half is planned	\$0	Partially funded
Study Area 71 (portion)	88	416	Portion contained in Witch Hazel Community Plan , which is completed. Remainder of area included in South Hillsboro Concept Plan	\$0	Partially funded
Evergreen	532			TBD	Partially funded
Forest Grove Swap	0	0	Industrial land. Metro Council approved Title 11 extension request to June 2006 for comp plan amendments and rezoning and June 2007 for long-range boundary recommendations	\$90,000	Not funded

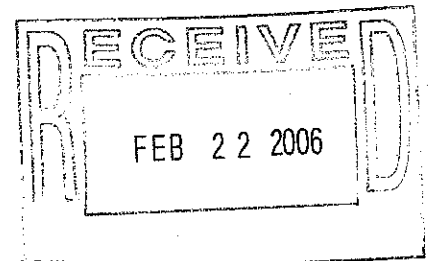
Estimated Costs for Concept Planning and Comprehensive Plan Adoption

Project/ Study Area	Total Acres	Dwelling Unit Capacity	Status of Funding for Concept and Comp. Planning	Unfunded Cost	Cost Status <ul style="list-style-type: none"> • Partially funded • Not funded
Bethany (Areas 84-87)	716	3,546	Total cost \$1,170,000. Recently received \$150,000 TGM grant for concept planning.	\$1,020,000	Partially funded
Bonny Slope (Study Area 93)	159	524	Metro Council adopted Resolution 04-3518 directing Metro staff to facilitate completion of concept planning. Metro is in process of bringing local governments together to facilitate concept planning.	\$225,000	Not funded

Estimated Costs for Concept Planning and Comprehensive Plan Adoption

Project/ Study Area	Total Acres	Dwelling Unit Capacity	Status of Funding for Concept and Comp. Planning	Unfunded Cost	Cost Status <ul style="list-style-type: none"> • Partially funded • Not funded
2004 UGB Expansion					
Damascus West	102	0	Industrial land. Part of Damascus /Boring Concept Plan	\$125,000	Not funded
Beavercreek (Portion of area 26)	63	0	Industrial land. Included in 2002 expansion area 26 for concept planning. Cost included with Beavercreek Road (Area 26).	\$0	Partially funded
Quarry (Portions of areas 48 & 49)	354	0	Industrial land. Tualatin and Sherwood applied for TGM grant for concept planning but grant request not approved. (Concept planning: \$217,000; code implementation: \$13,000)	\$230,000	Not Funded
Coffee Creek (Portions of areas 48 & 49)	264	0	Industrial land. Concept planning not yet begun. Applied for TGM grant for concept planning but request not approved. (Concept planning: \$254,000; code implementation: \$16,000)	\$270,000	Not funded
Tualatin Area (Portions of areas 47 & 49)	646	0	Industrial land. Concept planning not yet begun. (Concept planning: \$379,000; code implementation: \$21,000)	\$400,000	Not funded
Cornelius	64	0	Industrial land.	\$50,000	Not funded
Helvetia	249	0	Industrial land. Awaiting 2005 UGB expansion decision. Will concept plan Helvetia and Evergreen together if Evergreen is added to UGB	\$350,000	Not funded

The Expansion Area Planning Fund map will be distributed at the meeting. The file is too large to include in the PDF of the meeting packet. If you would like to view the map before the meeting, please contact Kim Bardes at bardes@metro.dst.or.us and she will send it to you. The file is large, however, and you may have difficulty opening it.



Serving the communities of Forest Grove, Cornelius, Gales Creek and Dilley

February 17, 2006

Metro Policy Advisory Committee
Attn: Chairman Richard G. Kidd
600 Northeast Grand Avenue
Portland, OR 97232-1793

Dear Mr. Kidd:

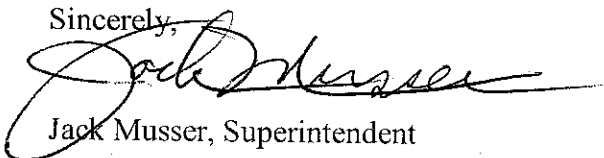
It has recently come to my attention that the Metro Council has received a report, including a set of recommendations, from the Expansion Area Planning Fund (EAPF) Committee, appointed by the Council, that includes recommendations about assessing an additional construction excise tax, above currently assessed fees and conditioned off-site improvements for new and remodel construction. Apparently the proposed tax, in the amount of .1% of building permit values in excess of \$100,000, is intended to specifically assist with concept and comprehensive planning for land brought into the UGB in 2002 and 2004. It is my further understanding that recommended exemptions from the tax do not include public schools.

If EAPF Committee recommendations are adopted and implemented as per the report, the additional construction fees (tax) will have a significant impact on the limited and precious capital improvement resources of the Forest Grove School District. To be determined intended capital improvements for District schools will need to be eliminated to accommodate projected additional construction tax requirements.

I encourage you and your fellow Councilors to include public schools in the list of exempt construction activities to be assessed the UGB planning tax.

Thank you for consideration of this request.

Sincerely,



Jack Musser, Superintendent

MPAC agenda Item #7 – Open Spaces Bond Measure

Materials, if any are to be provided, will be distributed at the meeting.

M E M O R A N D U M

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736
TEL 503 797 1700 | FAX 503 797 1794



METRO

Date: March 3, 2006
To: MPAC
From: Gerry Uba, Housing project manager
Subject: MTAC comments on the Housing Choice Task Force report (*Regional Housing Choice Implementation Strategy* dated February 13, 2006)

At the last MPAC meeting you discussed the recommendations in the Housing Choice Task Force (HCTF) report and directed MTAC to review the report and provide comments to you so you can develop your final comments to the Housing Choice Task Force. MTAC reviewed the report on March 1, 2006. The issues are complex and many viewpoints were presented. Consequently MTAC did not come to conclusion. Below is a summary of the major points that were discussed.

MTAC did agree, however, on three things:

- The Task Force and others need to do a better job of defining the problem. In particular, clearly define which population would be served by each of the recommended solutions;
- Define the nature of the problem in each community. For example, some community as Gresham may have an adequate supply. Community efforts, therefore, may be focused on retaining that supply instead of creating new units. Do not pursue one-size fit all solution;
- Tailor strategies to address nature of problem in different communities and develop a way to provide access to expertise and technical assistance.

A. Comment on Affordability and Housing Choice Problem (Issues and comment)

1. Stating the problem and issues to consider

- a. Define the regional and local problem clearly
- b. Explain the income groups and type of households and workers in the region most impacted
- c. Provide more information on supply of housing in the region by affordability levels by type, including work force housing
- d. Consider the impact of geographic variation in housing supply (by type) and affordability
- e. Consider the impact of geographic variation in rent and vacancy rates
- f. Consider demographics of the region, such as the impact of changes in household size, immigration of high income persons to the region
- g. Consider availability of housing and affordable housing for large families
- h. Cyclical nature of rents and housing supply should be considered

2. Relationship between the problem and proposed solutions

- a. Connect the problem to the proposed solutions
- b. Income group/s that need priority attention is the <50% median family income as documented by the previous HTAC study

- c. Affordable housing is a statewide issue, not local issue
- d. Affordable housing is an income problem for certain income groups
- e. Affordable housing is an economic development issue

B. Comment on Specific Actions Proposed by the HCTF

Funding

1. How much is adequate?

- a. Before identifying a funding target, clearly identify the population to be served and projected benefits

2. Use of the fund

- a. Address how and where the proposed \$50m/year will be spent (e.g., income groups to be served, number of units that could be built, communities to be served)
- b. Other resources could be leveraged (and the amount should be estimated)
- c. Funding should be linked to equity issue
- d. Identify opportunity cost: what would the region give up by securing and spending \$50m for affordable housing

3. Source of fund

- a. One particular sector should not be required to pay for regional affordable housing problem, instead the region as a whole should pay for the problem (e.g., through a bond)
- b. Use public pool on regional needs to determine how to focus regional effort toward securing regional fund for housing.

Linking Community Housing Score to Regional Fund Allocation

Note: *MTAC had serious reservation about linking affordable housing to greenspaces and transportation funding.*

1. Merits of the linkage:

- a. Although there may be some relationship between transportation and housing affordability in the region, the claim is not yet supported by any research
- b. Long commute for low income families is a good evidence of the relationship between transportation and housing
- c. Housing score should be considered for social issues like affordable housing
- d. Housing score should be linked only to money that Metro controls
- e. The proposed linkage will create winners and losers
- f. The linkage between tax equity and affordable housing should be researched since most affordable housing generates less taxes that is needed for other services
- g. There are not enough dollars to even address the transportation shortfall, so why link the dollars to housing?

Inclusionary Zoning

Note: *MTAC had serious reservation about inclusionary zoning.*

1. Lifting the ban on inclusionary zoning

- a. Region's only objective should be to get State legislature to lift ban on inclusionary zoning so as to give local option to use
- b. Lifting the ban is a huge legislation hurdle
- c. Inclusionary zoning may be good tool for avoiding the concentration of affordable housing or special need housing in certain areas

2. **Implementation of inclusionary zoning, including use of UGB decision to negotiate inclusionary zoning**
 - a. Negotiation based on use of resources as incentives is the best tactic for implementing inclusionary zoning (In other words, the community, not the region should impose)
 - a. Inclusionary zoning should be tied to where services exist
 - b. Use of UGB expansion decision to negotiate inclusionary zoning may conflict with State and regional policies on how UGB decision are made
 - c. Although part of the proposed solution is that Metro UGB decision should be used to negotiate voluntary inclusionary zoning, the additional proposal for local governments and willing stakeholders can “trigger” use of inclusionary zoning in UGB decision implies mandatory inclusionary zoning
 - d. UGB new areas are the worst places to implement inclusionary zoning because of limited transportation/transit
 - e. Guidelines for how to provide inclusionary zoning will be needed

Potential Role of Metro

1. **Public education on work force and affordable housing need**
 - a. There is no face on the need
 - b. Emphasize incentives not requirement
 - c. Make the issue real to audiences
2. **Advocacy**
 - a. Advocate at state level for local control of controversial issues such as inclusionary zoning and Real Estate Transfer Fee
 - b. More incentives and less regulation
3. **Research**
 - a. Linkage between affordable housing and the transportation system performance, employment, economic development, schools and student performance, etc.
 - b. Linkage between tax equity and affordable housing
 - c. Use survey to determine regional priority on needs relative to other important needs such as education and transportation.
4. **Technical Assistance**
 - a. Tech assistance coordination and peer support
 - b. Avoid duplication of the work of existing entities like the Housing Development Center (i.e., avoid redundancy)

Other comments

1. **Preservation:** Condo conversion is a major issues
2. **Subsidy for affordable housing:** About \$100,000 is the subsidy required for housing for households in <30% median family income
3. **Mismatch of rent levels and sale price of apartments:** Sale price of apartments has skyrocketed
4. **Acknowledge local efforts:** Success stories of housing that was built with federal, sate, regional and local subsidy should be included in the report

Questions for MPAC: What do you want to tell the Task Force?



METRO

**“Regional Housing Choice Implementation Strategy”
prepared by Metro’s Housing Choice Task Force**

Summary of Proposed Action for Metro and Local Governments

Solutions for Reducing Cost of Housing and Increasing Supply in the 2040 Centers and Corridors

Funding Solutions

1. Form a Construction Excise Tax study committee:
2. Establish an initial one-time fund with a \$10 million revenue bond:
3. Create support for a long term funding source that will generate about \$50 million annually

Land Use and Regulatory Solutions for immediate implementation

4. Expedited review for affordable housing; work with cities and counties to assess existing regulatory process

Land Use and Regulatory Solutions to be further addressed as part of Metro’s New Look program

5. Update the regional parking ratio requirements
6. Plan for complete communities that include housing choices
7. Encourage development in centers and corridors and other transit-friendly locations
8. Evaluate opportunities to implement form-based codes

Technical Assistance Solutions

9. Available land inventory, especially in the 2040 Centers and Corridors
10. Model Affordable Housing Approval and development conditions to incent inclusion of affordable housing in 2040 Centers, Corridors and other locations
11. Illustrated affordable housing toolbox of financial tools

[see back page for “solutions for dealing with affordability”]

Solutions for Dealing with Affordability

Funding Solutions

1. Form a Construction Excise Tax study committee
2. Establish an initial one-time fund with a \$10 million revenue bond
3. Create support for a long term funding source that will generate about \$50 million annually

Land Use and Regulatory Solutions for immediate implementation

4. Establish a housing supply survey for accurate assessment of progress toward
5. Use the urban growth boundary (UGB) expansion decisions to negotiate voluntary landowner commitments to provide affordable housing,
6. Allow local governments and their stakeholders to trigger UGB expansion if voluntary inclusionary housing has been negotiated.
7. Work with regional partners to pursue the possibility of removing prohibition on inclusionary zoning

Metro Convening Solutions

8. Continue the convening of local government officials and housing experts in other jurisdictions

Technical Assistance Solutions

9. Housing needs assessment/basic market study: using State Housing Model
10. Model Affordable Housing Approval and development conditions:
11. Communications and awareness: develop a communication toolbox utilizing visuals of successful projects in the region

Preservation Solutions

12. Use housing supply survey to identify expiring federally subsidized apartments, and work with non-profits to buy and preserve the properties.
13. Develop model condo conversion ordinances
14. Adopt ordinances to mitigate the impact of mobile home park closure

Mayor
HON. EUGENE GRANT



City of Happy Valley

City Councilors
CHUCK DALICH
LORI DEREMER
JONATHAN EDWARDS
ROB WHEELER

12915 SE KING ROAD, HAPPY VALLEY, OREGON 97236-6298
Telephone (503) 760-3325 ~ Fax (503) 760-9397
Web Site: www.ci.happy-valley.or.us

February 18, 2006

MPAC Members
Via Email to Kim Bardes

Re: Affordable Housing Task Force Report

Dear Members:

Everyone:

I object to these Affordable Housing Task Force proposals like the transfer tax and construction excise tax. If Metro wants money for affordable housing it seems to me the money should be coming from a more general and progressive tax source like the income tax. I do not think the real estate industry and particularly its customers, the new home buyers, should be asked to subsidize rental housing. Remember that many of these new home buyers are young people buying their first home to graduate from affordable rental housing to affordable home ownership. These tax proposals would just make home ownership more difficult for a first time home buyer. These taxes are really just an indirect way of getting around the Oregon inclusionary zoning prohibition and promoting the agenda of affordable housing zealots who fail to recognize that there is actually too much affordable rental housing on the market right now. I would rather find ways to help renters become home buyers by promoting sufficient economic development than try to find ways to finance more affordable rental housing, for which there is no present need. This supposed need for more affordable housing is just completely contrary to the facts of the rental housing marketplace over the last five years.

The approach of conditioning expansion of the UGB on an agreement to develop affordable housing is already being used in Medford and this is the one proposal that I find least objectionable. I oppose the proposal to regulate condo and mobile home park conversions because that is just like rent control ordinances which impede home ownership and the upgrading of the housing stock in our neighborhoods. We should focus on the income production side by economic development to give everyone the opportunity for jobs to pay for home ownership rather than focus our energy on trying to retard the conversion of rental housing to owner occupied housing. We ought to be cheering on the developers who have been converting so many renters into the owners of affordable homes using the low interest rates available.

Inexpensive rental units have been going begging resulting in high vacancy rates for the last five years. I own rentals, so I know first hand. It has been a miserable market for rental apartment owners including lower income apartments. Owners of relatively affordable rental properties have been in financial distress in many cases due to the high vacancy rates over the last five years. The idea that there is insufficient cheap rental housing is just plain wrong. The rental housing conversion to owner occupied

November 1, 2005

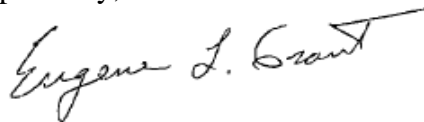
Annexation Letter

Page 2 of 2

condominiums has been driven by the lack of demand for rental units and the increased demand for ownership made possible by the very low interest rates over the last five years. Many apartment owners have felt forced to reluctantly convert their properties to condominiums in order to cut their losses due to lack of demand for their rental units. It is rather obvious that the members of this Metro task force do not appreciate the high vacancy rates for low income rental apartments in the Metro region. Affordable housing advocates are often uninterested in the facts of the marketplace and have a very dogmatic belief that we are always lacking in affordable housing. They need to research the facts of the marketplace instead of dreaming up solutions for a problem that generally speaking does not exist at the present.

This letter contains my personal comments, which are not necessarily the position of the Happy Valley City Council, as I have not had time to discuss this matter with the Council.

Respectfully,

A handwritten signature in cursive script that reads "Eugene L. Grant". The signature is written in black ink and is positioned below the word "Respectfully,".

Eugene Grant
Mayor of Happy Valley

February 22, 2006

Hon. Eugene Grant
City of Happy Valley
12915 SE King Rd
Happy Valley, OR 97236-6298

RE: Letter to MPAC on Affordable Housing Task Force Report

CC: MPAC and Metro Council

Dear Mayor Grant,

I very much appreciate your point of view as to the excess of rental housing in the Metro area. There is no question that rental units available at the lower end of the market are in abundance in certain portions of our region. I also applaud your focus on getting more people into the security and financial promise that accompanies homeownership.

That said, the need for housing that is of our greatest shared concern is for people who have been left behind by the market: seniors and people with disabilities relying on social security disability checks as less than \$500 a month, families with children relying on low paying jobs, and families of armed services members who struggle to make ends meet as their loved ones put their lives on the line for our country. For these people, our grandparents, our neighbors, the people who pump our gas, homeownership is a far distant dream and the glut of market rate rentals are still beyond their economic means.

The facts are overwhelming and incontrovertible: In Clackamas County, the 2005 'Homeless Count' found 2,484 people without housing, including 983 children. In Clackamas County, the number of qualified families on the Section 8 housing voucher waiting list is 5,475 and the estimated waiting time of 4 years. Things are no better in Multnomah or Washington Counties, where there are 5,300 and 7,031 families respectively waiting for at least three years to get the housing assistance for which they are qualified.

For many working people, the reality is that every month they make a choice: Do I put food on the table or do I pay the rent. Simple math reveals the source of the dilemma: In the Metro area, the Fair Market Rent (FMR) for a two-bedroom apartment is \$723. According to the National Low Income Housing Coalition Out of Reach 2005 report, in order to afford this level of rent and utilities, without paying more than the federal affordability standard of 30% of income on housing, a family of four must earn a wage \$13.90. The average wage for a renter is \$12.81 an hour; a minimum wage worker earns an hourly wage of \$7.25.

For seniors and people with disabilities, joining the workforce may not even be an option. Relying on social security benefits that are nowhere near adequate to compete in our housing market, these treasured members of our society are being burdened with housing costs that exhaust their budgets. We need to do better by our grandparents and brothers and sisters with disabilities.

In order to succeed in school and in life, people need a stable place to call home. In order to increase housing opportunity for families, seniors and people with disabilities, we must commit resources needed to help the lowest income community members compete in our housing market. Talk to any private developer, and you will find that the market is simply not able to provide housing options for seniors, people with disabilities and families relying on low paying jobs. Simply put, we must invest in housing for those the market cannot provide.

The real estate transfer fee, in particular, is extremely well matched as such a funding source for housing. Contrary to your assertion that it would be inappropriate to have the real estate industry and particularly its customers to subsidize rental housing, I will argue that homeowners are ideally suited to assist in meeting the housing needs of seniors, people with disabilities and families relying on low wage jobs. In fact, homeowners and by extension the real estate industry, are the single great recipients of federal housing subsidy. Through the Federal Home Mortgage Interest Deduction, homeowners are eligible for a tax break that in total is nearly double the Federal budget for the Department of Housing and Urban Development (HUD). In 2002, the Federal Government provided homeowners with \$64.7 billion in Home Mortgage Interest Deductions, compared to a \$34.3 billion allocation for the entire HUD budget². Although the general public assumes that most housing subsidies go to low income people in need, the fact is that the Federal government gives significantly more financial assistance to homeowners. With cutbacks to Federal programs that successfully house seniors, people with disabilities and working families, giving back to those in need is the right thing for Oregon communities.

If you are a currently a homeowner in the Metro area, you have been the direct beneficiary of record inflation in the housing market. The Oregonian reported in October 2005 that home prices in the Portland Metro area rose 22.5% in the past year, the single highest inflation in over a quarter of a century. This rise in home prices translates directly into a substantial increase in equity for Oregon homeowners. Although most homeowners make investments in their property to improve equity, the rise in Oregon home prices is due to much larger economic and social factors. Therefore, it only makes sense that we dedicate a modest portion of a home sale's windfall to invest in housing needs for Oregonian left out of the ownership society.

To address your concerns that a real estate transfer fee would limit first time homeownership, an Oregon real estate transfer fee could

be structured to be progressive and to protect vulnerable populations. Progressive models include:

- not charging a fee on homes which sell for a price less than a certain amount (80% of the median home sales price, for example)
- exempting the first \$100,000 of all home sales, and/or
- exempting home sales by senior citizens.

Using the models of a .5% transfer fee with the first \$100,000 of the home sale exempted, a seller would pay \$500 on the sale of a \$200,000 home, a reasonable contribution considering the windfall most sellers receive in Oregon's hot housing market.

There is no doubt that the scope and nature of our region's housing need is daunting. But as a fellow citizen committed to the betterment of his community, I hope you will join me in making sure that all of our neighbors have a place to call home.

Sincerely,

Michael Anderson
Communications Director
Member of Affordable Housing NOW! Coalition



MEMORANDUM

CITY OF BEAVERTON

COMMUNITY DEVELOPMENT DEPARTMENT

PLANNING SERVICES DIVISION

Date: February 21, 2006
To: MTAC Members
From: Hal Bergsma, Planning Services Manager and MTAC Alternate
Subject: *Comments on the HCTF Draft Report Recommendations*

As you know, I was involved in drafting the HCTF report which is now before MTAC for consideration. I have a good understanding of the thinking that went into the report's recommendations and I generally agree with them. **The purpose of this memo is to provide my perspective on some of the key recommendations.** (It should be noted that I am referring to the recommendations described in the "Summary of Recommended Solutions" table distributed at the February 15 meeting, which reflects decisions made at the February 13 HCTF meeting.)

Regional Funding

The Funding Solutions Team for the HCTF focused on pursuing two funding sources: (1) a construction excise tax (CET) to support a \$10 million revenue bond and (2) a real estate transfer fee (RETF) to support \$50 million annually for affordable housing. Both funding sources are worth considering, but both have problems. Metro is currently considering use of a CET to pay for UGB expansion area planning over the next 3 years, and use of the RETF would require a change in State law. Therefore, at its February 13 meeting the HCTF agreed that other funding sources should also be considered including a general obligation bond, an urbanization windfall tax, and fees on the conversion of rental apartments to condominiums and mobile home parks to other housing types. Given the uncertainties about the viability of the first two funding sources, *I urge MTAC to support Metro consideration of these additional funding sources and other potential funding sources that were not identified by the HCTF.* One such funding source might be establishment of urban renewal districts in centers by adoption of state legislation overriding local charter provisions precluding such action, with tax increment revenues used in part to fund affordable housing projects.

Housing Survey

A recommendation the most MTAC members should support is that Title 7 should be changed to remove the requirement that local governments consider implementation of certain tools to promote the development of affordable housing. Instead, HUD and the Oregon Housing and Community Services Dept. would conduct a bi-annual survey of the affordable units they had financed in each city and county in the region, and then Metro would ask each city and county to supplement that information with any data they have on privately financed affordable housing projects in their jurisdiction. Based on information provided by Tom Cusack of HUD about the potential conversion of government-subsidized affordable housing projects to market rate projects, as well as the on-going conversion of rental apartments to condominiums and the redevelopment of mobile home parks, it would seem *the loss of affordable housing in the region should also be monitored.*

Community Housing Score

A recommendation that may be more controversial is that the results of the Housing Survey would be used to establish a “community housing score” that would be a factor in determining the allocation of discretionary regional funds by Metro, including MTIP and some NIN funds. As an alternative to using scoring based on the amount of affordable housing built in each city and county, I suggested to HCTF members that scoring should also be based on the effort of each city and county to assist in the development of affordable housing in its jurisdiction, as measured by financial commitment. (This could include such things as the commitment of staff to providing technical assistance, budgetary commitment of funds to subsidize affordable housing projects via fee waivers, payment of systems development charges, etc., forgone revenues due to property tax exemptions, or dedication of excess property.) I believe this is a better way to arrive at a “community housing score” for each city and county because local governments do not control whether affordable housing is developed in their jurisdiction. They cannot control whether (1) a developer decides to pursue an affordable housing project in their community, (2) land is available for such a project, or (3) federal, state or private financing is provided for the project. At the February 13 HCTF meeting members split on whether a “community housing score” should be based solely on the number of affordable units developed or a combination of results and effort. (The HCTF members voted 4-3 for the latter.) *I urge MTAC to support the concept of having the “community housing score” for each city and county used as a factor in determining the allocation of discretionary regional funds, with “effort” given weight equal to or greater than “results” in determining the score. Consideration should also be given to (1) effort and results in preserving existing affordable housing units that otherwise might be converted to market rate housing and (2) the level of affordability of units produced or*

preserved in the community, with greater weight given to units affordable to the poorest households.

Inclusionary Zoning

Use of voluntary and mandatory inclusionary zoning was supported by the HCTF in concept, but there were differences among the members about the details. State law prohibits mandatory inclusionary zoning requirements by cities and counties, although it is not clear whether certain inclusionary zoning requirements would be deemed voluntary or mandatory. For example, if a city requires a residential developer, needing to annex to receive urban services, to commit to building a certain percentage of units that are affordable to households at or below a certain income level in order to have the annexation approved, is that voluntary? *On February 13 the consensus of the HCTF, including myself, seemed to be that Metro should (1) explore the legal limits of the use of voluntary inclusionary zoning and (2) pursue a change in State law to allow local governments to use mandatory inclusionary zoning in limited locations in the region, such as in UGB expansion areas and/or centers.*

Level of Metro Support of Affordable Housing Efforts

An issue that came to the fore toward the end of the HCTF process is the degree to which Metro should be involved in supporting efforts to preserve and develop affordable housing in the region. On February 13 the HCTF consensus was that Metro should have an on-going role in regional affordable housing efforts, versus just adopting policies and regulations and then relying primarily on cities and counties to implement them. Based on comments previously received from MPAC and MTAC members, as well as comments I conveyed from a February 8 meeting of the Washington County Planning Directors, *HCTF members seemed to agree that Metro should play a major role in (1) establishing an adequate regional source of funding for affordable housing, (2) providing public outreach on affordable housing needs in the region (3) conducting a bi-annual housing supply survey, (4) establishing regional policies and regulations relating to affordable housing, (5) conducting research on various affordable housing tools, (6) advocating for federal and state funding as well as changes to state law deemed necessary and (7) providing technical assistance to local governments. Implementation of these program elements by Metro staff would be overseen by a standing advisory committee.* At a February 16 work session some members of the Metro Council indicated their concern about the commitment of limited budgetary resources to an on-going affordable housing program. *In my opinion (which does not necessarily reflect the position of my employer) Metro does need to establish a limited affordable housing program within its organization with the elements described above.* I view this program as similar in scope and funding level to the “Get Centered” campaign within the TOD program. It would have limited staff

support with at least one full-time position as well as part-time support from other staff members as needed.

Some members of MTAC may question whether Metro should be involved in the provision of affordable housing to the degree described above. Based on my involvement in my city's efforts to assist in the provision of affordable housing in the community, I feel strongly that Metro should be involved. Today the City of Portland and to a lesser extent some suburban communities have borne most of the burden in attempting to provide affordable housing in the region, especially housing affordable to the poorest households. The City of Beaverton is presently in the process of considering how much general fund support it should offer to a proposed affordable housing project as well as to future projects. We have found that other cities in Washington County, and the County itself, have committed no or minimal levels of general fund resources (including property tax exemptions) to affordable housing assistance, and that there has been little progress toward achieving affordable housing targets set for each jurisdiction by Metro in 2000. City staff is concerned that if the City decides to commit substantially more general fund revenues to assisting affordable housing projects proposed in the community than other cities or the county commit, Beaverton will attract more than its share of affordable housing development with negative fiscal consequences. By playing a greater role in the provision of affordable housing in the region, Metro could assist in arranging and providing funding for affordable housing projects while raising awareness throughout the region of the need for affordable housing in all communities.

Conclusion

The above are what I think are the key HCTF recommendations for MTAC's consideration, but there are many others that deserve attention as well. I will be at the March 1 MTAC meeting to respond to any questions members may have about the above and to discuss other recommendations of concern.

- c. Mayor Rob Drake
Joe Grillo, Community Development Director

Proposed Amendment: MPAC Member Commissioner Erik Sten, City of Portland

On page 29 of the Feb 13 **HTAC Report** - under **New Regional Funding Source Recommendations**: Flip the two bullets. Put the first bullet first pertaining to the RETF or DRC.

Rewrite it to read:

There is a region wide need of at least \$50 million annually to meet the affordable housing needs of the very low income; those earning 50% of area median family income. This amount was documented in the 2000 Metro Housing Report and remains a critical need today. This regional funding mechanism would provide a long term solution by using a Real Estate Transfer Fee (RETF) or a Document Recording Fee (DRF) to create a permanent and stable source of funding as a preferred option.

The former first bullet would then follow.

In tonight's short report summary titled, ***Regional Housing Choice***, on page 3 - under the heading Proposed actions for Metro and local governments should also be changed to reflect this same point. In other words, the last point, #3. should be re-numbered as #1. and should meet the same intent by stating,

1. Support a Real Estate Transfer Fee or Document Recording Fee that creates a fund of at least \$50 million annually should be secured to support very low income households below 50% median family income.

#1 and #2 should be re-numbered accordingly to 3 and 2.

From: "Clay, Bob" <bclay@ci.portland.or.us>
To: Gerry Uba <ubag@metro.dst.or.us>
Date: 2/24/2006 2:19:01 PM
Subject: Comments on HTAC Report Recommendations for 3/1/06 MTAC Meeting

<<Stenproposed HTACrectoMPAC.doc>>

Gerry,

RE: Comments on HTAC Report Recommendations for 3/1/06 MTAC Meeting

As you requested and MTAC agreed at its last meeting, on behalf of MTAC Member Gil Kelley, Planning Director, City of Portland Planning Bureau and myself, MTAC Alternate, we offer the following brief comments in general order of their priority and importance:

1. MPAC Member Sten's Proposed Amendment: Attached is proposed language amending both the longer full report recommendations and similarly reflect the priorities in the brief summary recommendations. This language was provided to provided to MPAC on Weds. 2/22/06 and by MPAC consensus forwarded by Interim Chair Jack Hoffman to MTAC to further review and recommendation.

We continue to support MPAC Member and City Commissioner Sten's recommendations for several reasons. 1. Despite concerns over political viability, Commissioner Sten's amendment is intended to recognize that a robust funding source is needed and after much study, the RETF or DRF is the most viable option for a long term permanent solution that addresses the full scope of the problem. 2. We believe that Commissioner Sten's proposed amendment accurately reflects what the region's funding solution priorities not only should be, but they respond to and acknowledge the growing affordable housing needs in the region since the housing report in 2000. 3. Third, we believe the priority shift as proposed by MPAC Member Sten would better reflect the scope and nature of the growing systemic problem of the shortage of affordable housing faced by the region's very low income households below 50% of areas median income - a need that fundamentally cannot be met by either rising economic prosperity or the private housing industry - as the sole delivery mechanism. These households are the working poor and disabled that all the region's communities depend on to meet basic needs and services - and many other reasons outlined in the HTAC Report.

2. Expanding Regional Funding Solutions and Changing Priorities: With respect to the 4-page memo from HTAC and MTAC member Hal Bergsma, we greatly appreciate his perspectives. We agree with his premise on the importance of this issue as a significant regional concern, one deserving of a multi-objective set of strategies and especially that Metro needs to "lead" this region in finding a regional funding solution to affordable housing.

As it relates to Hal's regional funding recommendation, we appreciate the thoughtful analysis and issues Hal raises. We agree with Hal that additional regional funding solutions he refers to (G.O.. Bond, urbanization windfall tax, fees on conversions and/or urban renewal override authority in centers should be explored and pursued. We may differ on emphasis and priority. We differ if Hal is suggesting that these other solutions alter

the priorities outlined in the original report and further strengthened by Commissioner Sten's proposed amendment. Instead we suggest that these be identified as additional funding options - and spelled out in a little greater detail as additional supplementary options - and as slightly lower priority regional funding options solutions. We believe that without more careful and analysis they may only offer a much smaller funding solution - much the same as offered by the \$10 million CET. We believe that their efficacy could be more short-lived and leave unresolved the systemic affordable housing problems. We look forward to a good discussion and other perspectives on Hal's thoughts and suggestions on this and other suggestions.

3. Affects of a one-time \$10 million program versus \$50 Million annual funding: At the 2/15 MTAC meeting, Gil Kelley asked to review the scope and impact of a \$10 million CET-backed funding solution versus a \$50 million annual fund so as to understand the overall impact. Gil wanted to assure that MPAC, the Metro Council and other decision makers understood what was being proposed to be "bought" under each approach. It would also be useful to do this same accounting for additional or supplementary funding sources identified in Hal's memo.

4. Inclusionary Zoning: With respect to inclusionary zoning, we believe that first we should be asking the Oregon Legislature for a local option opportunity for this region. We should not attempt to narrow the focus at this time. We think this is not a good strategy and would send the wrong signal that we have either limited its application or predetermined how best to apply inclusionary zoning for the entire region, when there may be variations among the region's 28 local governments that are also workable and more appropriate to fit the circumstances. For example, limiting and targeting inclusionary techniques only in UGB expansion areas and/or centers - ignores that we have many other 2040 design types (hundreds of miles Main Streets and corridors) whose purpose is to implement the 2040 Growth Concept.

5. Community Housing Score: With respect to the "Community Housing Score", again we appreciate Hal's' thoughts and perspectives. We would like to hear more about the details of how this would work and welcome the discussion.

Again, we appreciate the persistence, hard work and expertise of the HTAC Committee. We also appreciate Hal Bergsma's memo in focusing attention on some key issues.

Please call or email if you or other MTAC members have any questions.

Best regards,

Bob

Bob Clay, AICP, Supervising Planner
Bureau of Planning
1900 SW 4th Avenue, Suite 4100
Portland, OR 97201
Phone: 503-823-7713
Fax: 503-823-5884

bclay@ci.portland.or.us

CC: "Kelley, Gil" <gkelley@ci.portland.or.us>, "Bax, Margaret" <mbax@ci.portland.or.us>, "Sten, Erik" <esten@ci.portland.or.us>, "Culp, Sara" <sculp@ci.portland.or.us>, "Valenzuela, Veronica" <vvalenzuela@ci.portland.or.us>, "Potter, Mayor" <mayorpotter@ci.portland.or.us>

From: "Jim Jacks" <JJACKS@ci.tualatin.or.us>
To: <ubag@metro.dst.or.us>
Date: 2/27/2006 5:03:08 PM
Subject: Affordable Housing

Gerry,

Please forward this email to the MTAC mailing list for the 3/1/06 meeting.

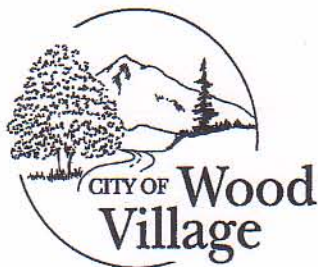
An issue needing discussion is the proposed linking of the "community housing score" to regional funding allocations.

Comment: If "regional funding allocation" refers only to regional funds for affordable housing, then there is no concern as work to achieve affordable housing stock (community housing score) is related to receiving regional affordable housing funds. But if "regional funding allocation" refers to regional funds for non-housing programs such as transportation, then concerns are raised because there is no nexus between affordable housing and transportation funding. Transportation is a very big issue in the region and it should not be tied to an unrelated issue such as affordable housing.

MTAC's recommendation to MPAC should include the following: (1) delete linking the "community housing score" to "regional funding allocation," or if a link is to exist (2) amend the language to clearly state that the "community housing score" is linked only to regional funding for affordable housing.

Best regards, Jim.

Jim Jacks
Special Projects Manager
City of Tualatin
jjacks@ci.tualatin.or.us
503 691-3025



March 2, 2006

Metro Regional Council
Attn: Council President David Bragdon
Council Members
600 NE Grand Ave.
Portland, OR 97232-2736

Subject: 3-Cities Response to Metro's Regional Housing Choice Implementation Strategy

Dear President Bragdon:

Thank you for the opportunity to respond to the January 2006 draft of Metro's Regional Housing Choice Implementation Strategy. We understand the challenges posed by the report in clarifying the complexities of developing and maintaining affordable housing for the region. We support the concept of providing for our fair share of medium to low-cost housing for the region but strongly oppose the majority of the approaches proposed in the implementation strategy of this report.



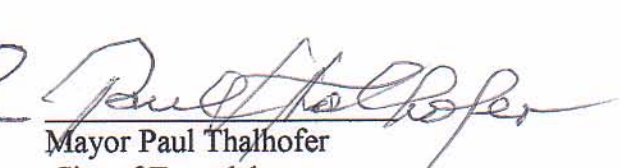
Our opposition to this document is as follows:

1. Housing supply survey & report. Small cities need housing specialists in this area to do the type of housing assessments needed to track affordable housing. As stated on page 25 of the draft report, we re-emphasize "One size does not fit all", "It costs too much – no funding/not enough staff" and "We are already in compliance". The variety and types of affordable housing programs available, both public and private, are too numerous for cities with small staff to track and, require qualified professionals to provide accurate numbers. The report recommends the continuation of annual housing reports to which we strongly object.
 - a. Alternative implementation programs that we propose to be considered include:
 - i. Jurisdictions containing 20,000 people or less should be exempt from Metro's affordable housing reporting requirements***
 - ii. Have Metro set up a registry for all affordable housing in the region, taking the lead in tracking these numbers.***
 - iii. Have the affordable housing survey be conducted regionally by housing professionals that can track affordable housing programs such as vouchers,

Notes:
*** - Supported by the three cities
** - Supported by two of the three cities
* - Supported by one of the three cities

4. Assistance to local jurisdictions in eliminating barriers to affordable housing.

Thank you again for this opportunity to respond to the draft of the Regional Housing Choice Study. We appreciate your consideration and continued cooperation in this matter.

 Mayor Mike Weatherby City of Fairview	 Mayor Dave Fuller City of Wood Village	 Mayor Paul Thalhofer City of Troutdale
---	--	---

CC: MTAC
MPAC
3-Cities Councilors
3-Cities Planning Commissioners
3-Cities Staff

Notes: *** - Supported by the three cities
** - Supported by two of the three cities
* - Supported by one of the three cities

Paulette Copperstone - RE: February 15, 2006 Meeting Record

From: "Jim McCauley" <jimmc@hbapdx.org>
To: "Paulette Copperstone" <copperstonep@metro.dst.or.us>
Date: 3/1/2006 8:41 AM
Subject: RE: February 15, 2006 Meeting Record

Paulette,

I know this is late in the process, but if possible could this be copied for today's MTAC meeting. I can also bring additional copies if you prefer.

MEMO

Date: March 1, 2006

To: MTAC Members

From: Jim McCauley, HBA

Subject: HCTF comments

Overview

HBA agrees with the overall tone of the Housing Choice Task Force (HCTF) report that represents a serious concern for housing choice in the region. We agree that something has to be done to reduce the gap in affordability from the current relationship of income and median home price. While this report addresses the cost of housing it is also important to recognize the value of creating an environment for job growth and wages capable of improving family situations.

Given Metro's primary role of UGB expansion, involvement in long range planning, and work with multiple agencies, there should be a very clear objective of supporting economic growth capable of attracting businesses that provide more choices of family wage jobs. This includes improved processes that allow for a more streamlined approach and standards that can place industrial and commercial lands into the buildable supply base in a timely fashion.

Land Availability

Given the current metrics, UGB expansions over the last decade have added some 20,000 acres to the UGB in a combination of industrial, commercial, and single family designations. Less than 500 acres has a house on it today and with little buildable inventory coming online the process clearly needs improvement. Recommendations should have built on this land supply gap and offered support for options to improve today's condition.

From HBA's perspective, land availability is a significant factor that is contributing to land price and housing cost. Land costs today represent a significantly larger portion of the home purchase than they did just a few years ago. If efforts are made to improve this condition to a more metered buildable land supply there will be an adjustment in overall housing cost, thus improving choice for individuals and families. This function clearly should have been part of the recommendations and explored in more detail from the task force.

Community Issue – Community Investment

Looking at the costs of affordability and housing choice HBA believes that this is not just a building or development issue. Instead we believe the community is responsible for setting priorities and identifying funding options and the larger policy choices. The central core of the funding options presented however focuses on systems that are already being used for another purpose, or would require legislative changes in existing statute. Funding solutions offered in the report should therefore look beyond the systems not capable of supporting the revenue needed because of the legal issues. The construction permit tax (excise tax) is already being considered for another use (concept planning) and there is no real margin of existing Metro taxing authority to add other uses under existing conditions. The use of real estate transfer fees is unavailable as well and would require wide-spread support to support such a plan. These are very real impediments to find funding sources and the recommendations have to go well beyond these systems.

HBA members have experience in providing affordable housing through a variety of existing programs. The more significant operations require public and private partnerships. Some mechanism that can reduce the influence of land values will have the most success and under a partnership there may well be more opportunities to identify housing options. Ultimately, the region has to make these choices, and those choices should not focus on a select group for the funding component. More importantly, HBA does not believe the funding systems recommended will reduce housing cost – because all new developments will be directly or indirectly subsidizing the costs.

Description of affordable housing needed

The report does a credible job of describing the breakpoints for MFI and the indexes that follow. It is not clear however where the funds collected end up or what affordability groups are directly benefiting from the fund. We would like to see some table created that clearly shows the targets, estimated costs and the housing choices.

HBA has commonly looked at the affordability issue for families in the 70-120 percent of MFI. This is a much different conversation for the needs assessment and system improvements than families at 30 percent of MFI. This is a critical point that should be clarified so we can better evaluate the policy choices available. Finding housing choices for a higher needs group triggers a whole new level of economics and choices to consider.

Jim McCauley
 Vice President of Government Affairs
 Home Builders Association of Metropolitan Portland
 15555 SW Bangy Rd., Ste. 301
 Lake Oswego, OR 97062
 503-684-1880
jimmc@hbapdx.org

From: Paulette Copperstone [mailto:copperstonep@metro.dst.or.us]
Sent: Tuesday, February 28, 2006 4:29 PM
To: Paulette Copperstone
Subject: February 15, 2006 Meeting Record

Dear MTAC Members & Interested Persons:

Attached, please find the Feb. 15, 2006 MTAC meeting record.

Thank you for your patience.

Paulette Copperstone
 Program Assistant 2

Draft response to HCTF recommendations – Feb.28, 2006.

February 27, 2005

Council President David Bragdon and Members of the Metro Council
Metro
600 North East Grand Ave.
Portland, OR 97232

RE: Housing Choice Task Force Recommendations

Dear President Bragdon and Members of the Metro Council:

Think you for the opportunity to comment on the Housing Choice Task Force's recommendations. The Task Force has done an admirable job. The report is well done and succinctly outlines the affordable housing challenges facing the Portland Metropolitan Region. The City of Gresham realizes that affordable housing is an essential part of an economically viable and livable metropolitan region. However, we have several concerns with the report's recommendations about how to improve the region's supply of affordable housing. We feel these issues deserve more discussion.

We reviewed the HCTF report in detail along with Councilors' Burkholder's and Liberty's February 7, 2006 memo that was distributed at the Feb. 8 MPAC Meeting. Our responses to the questions posed in the Councilors' memo are as follows. Please note that we also asked our staff to prepare the appended chart (Attachment "A") to show the reasoning behind our decisions.

Metro Question 1: Should a construction excise tax or similar source of funding be considered?

Gresham Response: A construction excise tax is not the right vehicle to raise funds for affordable housing. The region should collaborate with the state to address the affordable housing issue on a statewide basis. A public financial institution that has housing as its sole mission should manage any new funds that might be collected. For example, the state (Oregon Housing and Community Services Department) already has means to manage affordable housing funds..

Metro Question 2: Should the Region lobby Congress for regional housing funds?

Gresham Response: Yes. Gresham supports legislation that promotes a full range of work force housing through federal tax incentives. Also, it is important for the region to lobby for increased federal funding for the Department of Housing and Urban Development's housing programs.

Metro Question 3: What should be the role of local governments in establishing a regional fund?

Draft response to HCTF recommendations – Feb.28, 2006.

Gresham Response: Gresham supports increased funding to address affordable housing needs. However, it cannot commit its financial or staff resources to the effort because of other priorities that require its limited resources.

Metro Questions 4 and 5: **Would the local government participate in convening technical assistance to aid in affordable housing development and;**

Are local governments willing to help keep track of affordable housing supply in various locations, including the Centers and Corridors?

Gresham Response: Gresham would welcome technical assistance, but cannot afford to expend its own funds or staff resources to do so. It may be best to work with the Oregon Housing and Community Services Department to collect data rather than duplicating these services at the regional level.

Metro Question 6: **Would local governments support linking regional funds allocation to affordable housing supply?**

Gresham Response: Gresham does not support this recommendation. Gresham provides a substantial amount of market rate low and moderate-income housing and would like work with its regional partners to more broadly distribute this type of housing throughout the Portland Metropolitan region.

Metro Question 7: **How should efforts of local governments to increase supply or preserve workforce housing be preserved?**

Gresham Response: We welcome the collection of affordable housing data to share with local jurisdictions. This information would help Gresham track its affordable housing supply.

Metro Question 8: **Should future UGB expansion be conditioned on affordable work force housing?**

Gresham Response: Gresham does not support this concept. However the City supports the development of a variety of housing types and densities to create opportunities for affordable housing development throughout the region

Metro Question 9: **Should the following solutions be considered as part of the New Look Project?**

- a. Change regional parking ratio requirements to consider lower minimums, maximums and locations where they apply?

Gresham Response: No

Draft response to HCTF recommendations – Feb.28, 2006.

- b. Implementation of parking management requirements in centers to raise money needed for community improvements such as structure parking?

Gresham Response: No. Market economics in most suburban parts of the region, will not support parking management measures necessary to fund substantial community improvements. Metro could best assist suburban communities by helping to acquire land for parking in advance of need.

- c. Planning for Complete Communities

Gresham Response: Yes

- d. Reevaluation of Zoning in Corridors to assess potential of encouraging more housing?

Gresham Response: Yes, but with an emphasis towards both economic development and housing. Higher density housing should be balanced with nearby employment and located within specific “corridor nodes”. Gresham also suggests that density be varied and well designed to be compatible with existing, intact single-family residential neighborhoods in these areas.

- e. Identifying design solutions and case studies to integrate building heights in residential areas.

Gresham Response: No, we cannot support the broad application of this concept. Building heights should be increased only in appropriate areas, such as within or adjacent to centers and within “nodes” along corridors.

- f. Decrease construction costs by using form based design standards only – not regulating materials?

Gresham Response: No. Gresham does not wish to forego the option of using the full range of design regulations.

Please note that not all the issues addressed in the latest summary version of the HCTF report handed out at the Feb. 22, 2006 MPAC Meeting were addressed in the questions posed by Metro’s Feb. 7 Memo. Due to the time it took to formulate our response, we still need to address some of the “Preservation of Affordable Housing Issues” that were in the later version. We will do this at a later time.

Sincerely,

Charles J. Becker, Mayor

Draft response to HCTF recommendations – Feb.28, 2006.

Attachment A: "Worksheet: Response to Councilor's Burkholder's and Liberty's Feb. 7, 2006 Memorandum to MPAC Concerning "Questions to Consider Regarding the House Choice Task Force Draft Report"

Copy: Council President Bemis and Members of the City Council
Erik Kvarsten, City Manager
Ed Gallagher, Community Development Director
File: 2-27-05 Response to HCTF Recommendations

Attachment "A" – Worksheet: Response to Councilor's Burkholder's and Liberty's Feb. 7, 2006 Memorandum to MPAC Concerning "Questions to Consider Regarding the House Choice Task Force Draft Report"

<p>Should Construction Excise Tax or Similar Source of Funding Be Considered?</p>	<p><u>Local Policy Implications and Questions:</u></p>	<p><u>Gresham's View</u></p>
	<p>Is the state of Oregon capable of coming together to address the matter on a statewide basis? Is the nation capable of addressing the matter through the federal system?</p> <p>Would this overuse the construction excise tax in light of the Expansion Area Planning Fund Committee's proposal?</p> <p>Would Metro control these funds and condition their application?</p> <p>The amount proposed for a bond (10 million) is insignificant compared to the scope of need.</p>	<p>Gresham has a significant amount of market rate housing.</p> <p>A more robust funding source is needed</p> <p>Higher density housing should be well designed and located in areas accessible to transit.</p> <p>The city supports CDBG funds and other 1 time sources to foster home-ownership.</p> <p>Gresham's interests are:</p> <p>To help create a better economic climate and family wage jobs, thus the means to afford housing;</p> <p>To improve the habitability / quality of its existing housing, and</p> <p>Foster home-ownership and community stability</p>
<p>Commentary: It may be that a Construction Excise Tax is not suitable for this purpose. A much more comprehensive approach is needed. Affordable housing is also a national and statewide issue. In the absence of a cogent federal policy, the responsibility should go to the state first to enact legislation that would create a more robust source of funding. The legislation should be to allow the Metro (or its jurisdictions); and the jurisdictions outside of the region to collect Real Estate Transfer and Document Recording Fees to fund more comprehensive housing programs. Furthermore, the emphasis should be on the establishment of a growth oriented housing fund structure, such as REITs and Revolving Loans funds etc.</p> <p>A critical part of the housing picture is to improve the habitability of existing rental units. Many in Gresham live in unhealthy, substandard housing. This can be accomplished through Rental Inspection programs.</p> <p>Other funding sources should be considered such as construction debris tipping fee; condominium conversion fees; real estate windfall tax. For example a one-time windfall tax on properties that increase dramatically in value as a result of being added to the UGB and annexed to cities.</p>		

<p>Should the Region lobby Congress for regional housing funds?</p>	<p><u>Local Policy Implications and Questions:</u></p> <p>It is essential that the region's jurisdictions lobby Congress for housing and other funds to meet metro-wide needs. However, each jurisdiction has its own particular needs and constituency.</p> <p>Also, the region should not forget it is part of the state. Lobbying at the federal level must be done in context of the state's overall needs.</p> <p>Lobbying must also occur at the state legislature.</p>	<p><u>Gresham's View</u></p> <p>An ongoing positive relationship with Congress and the state legislature, especially with the region's representatives is important.</p> <p>Support is needed for increased CDBG funding and other HUD programs.</p> <p>The region should lobby also for more economic development funds. Education and more and better paying jobs are the basis to solve the housing problem.</p>
<p>What should be the role of local governments in establishing a regional fund?</p>	<p><u>Policy Implications</u></p> <p>First of all should funding affordable housing be a Metro Responsibility? Is another role appropriate such as the collector and disburser of funds?</p> <p>Would a regional housing fund require a grantee / grantor relationship between local jurisdictions and Metro?</p> <p>Would additional Functional Plan Requirements be imposed?</p> <p>The allocation of funding and the issue of equity and local need must be part of the discussion. Housing needs differ throughout the region.</p>	<p><u>Gresham's View</u></p> <p>Local governments should lobby the state legislation to allow a RETF or document recording fee.</p> <p>If funds are collected on a regional or statewide basis, the preference would be to use the funds to supply affordable/workforce housing without any <u>new</u> conditions imposed by Metro or the state.</p> <p>It may be more appropriate to empower existing housing providers the state or Housing Consortium, to distribute the funds per an agreed upon formula.</p>
<p>Convening Technical Assistance</p> <p>What are the merits of technical assistance in increasing and /preserving the supply of affordable work-force housing?</p> <p>Will local governments receive technical assistance if Metro figured out to implement them?</p>	<p><u>Local Policy Implications and Questions</u></p> <p>Local governments have specific housing issues and technical assistance must be crafted to address local conditions</p> <p>Does an oversupply of affordable housing negatively affect economic growth in a locality?</p> <p>The problem is the lack of resources to address housing needs, not the lack of technical assistance in the region.</p>	<p><u>Gresham's View</u></p> <p>Gresham has affordable housing / work force housing issues apart from the matter of supply (ownership; habitability; housing for the very low income, family homelessness, etc.)</p> <p>Local staff and elected leaders are under a variety of pressures to maintain existing programs and initiatives. Technical assistance should not come with resource intensive conditions, nor divert already committed City resources</p>

<p>Technical Assistance (Continued)</p>	<p><u>Local Policy Implications and Questions:</u></p> <p>The region needs good data (geographically specific by sub-region) about the supply of affordable housing and the need.</p> <p>What is the direct link between affordable housing and economic development?</p>	<p>At some point, technical assistance without the prospect of a locally acceptable funding source of funding is not useful.</p> <p>Technical assistance would be received if it is useful, practical, consistent with City objectives and does not divert City resources</p>
<p>Housing Supply</p> <p>Are local governments willing to help keep track of affordable housing supply in various locations, including the Centers and Corridors?</p>	<p><u>Local Policy Implications and Questions:</u></p> <p>Is this role an appropriate one for local government, or are others better suited?</p> <p>Should local governments take on another reporting role?</p>	<p><u>Gresham's View</u></p> <p>This could be better done by others including such as Bureau of Population Research and Census or Institute of Metropolitan Studies.</p> <p>The dynamics of the market are difficult to track. Housing costs and rents likely cross boundaries between being affordable and non-affordable [HUD Guidelines].</p>
<p>Linking Regional Funds Allocation to Housing Supply [Survey]</p>	<p><u>Local Policy Implications and Questions</u></p> <p>Should Metro establish new criteria as a basis to disburse regional funds?</p> <p>Would local supply of existing market rate affordable housing satisfy the criteria?</p> <p>How would this promote equity in terms of jurisdictions providing their proportionate share of affordable housing?</p>	<p><u>Gresham's View</u></p> <p>Unless existing affordable housing supply is taken into consideration, the City would not support this concept.</p> <p>Affordable housing should be more broadly distributed across the region.</p>
<p>How should efforts of local governments to increase supply or preserve workforce housing be preserved?</p>	<p><u>Local Policy Implications and Questions</u></p> <p>Can Portland area jurisdictions increase affordable housing supply and preserve workforce housing with the tools that are available?</p>	<p><u>Gresham's View</u></p> <p>Under current funding conditions, local jurisdictions should not have this responsibility. The question may be moot, because local jurisdictions do not have the tools to control actions in the market place that set housing prices? Adequate funding including state and federal support is needed.</p> <p>A better question may be how do all regional jurisdictions promote opportunities that make it possible for persons to access housing across the income spectrum?</p>

<p>UGB Expansion and Annexation</p> <p>Should future UGB expansion be conditioned on affordable work force housing?</p>	<p><u>Local Policy Implications and Questions</u></p> <p>UGB expansions must generally pay for themselves through SDC's Fees and developer exactions. Furthermore, if jurisdictions are limited to property tax revenues to fund long-term services, then a balance of development types and values are needed within new urban growth areas.</p>	<p><u>Gresham's View</u></p> <p>Under current conditions of paying for expansion of facilities and services, Gresham would not support conditioning the expansion of the UGB to provide only affordable housing.</p> <p>Gresham's policy is to integrate affordable housing into the community. Single purpose UGB expansion is not appropriate. Over concentration is a concern.</p>
<p>Solutions to be addressed further through the "New Look"</p>	<p><u>Local Policy Implications and Questions</u></p>	<p><u>Gresham's View</u></p>
<p>Regional parking ratio requirements to consider lower minimums, maximums and locations where they apply</p>	<p>Many parts of the region have not achieved Region 2040 expectations because of market conditions /economics. The ability to provide adequate parking in the suburban environment is essential.</p> <p>It may take longer to achieve 2040 concept of mixed use. Actions to limit parking resources may be counter-productive.</p>	<p>Allowing the City to lower parking minimums on a case-by-case basis may be appropriate, but should not be mandated by the Functional Plan.</p>
<p>Implementation of parking management requirements in centers to raise money needed for community improvements such as structure parking</p>	<p>Not all Centers are equal. Some have the economic characteristics to necessary to construct parking management organizations. Many do not.</p>	<p>Parking Management requirements should not be mandated. They should be promoted and encouraged. Market pressures tend to make economic entities act in their self-interest, such as forming transportation/parking management organizations.</p>
<p>Planning for Complete Communities</p>	<p>This is a fundamental practice of Region 2040</p>	<p>Gresham supports planning for Complete Communities</p>
<p>Reevaluation of Zoning in Corridors to assess potential of encouraging more housing.</p>	<p>Many corridors in the region are over-designated with Commercial land. Housing is a much more economically feasible use.</p> <p>Corridors should also be considered valuable for intense employment uses including light high-tech, research and high-value manufacturing</p>	<p>Gresham supports the use of land within corridors for the highest possible economic use.</p> <p>Gresham also wishes to promote employment along corridors and innovative mixed uses</p> <p>Compatibility with surrounding single residential lands is important. Preservation and enhancement of existing residential neighborhoods is essential.</p>

New Look Initiatives (Continued)	<u>Local Policy Implications and Questions</u>	<u>Gresham's View</u>
Identifying design solutions and case studies to integrate building heights in residential areas.	<p>Protection of Single-family Residential neighborhoods and mitigation of impacts is important.</p> <p>Increased building heights are economically feasible only within certain areas (Centers, corridors and some Main Streets)</p>	Building heights are most appropriately increased in centers and within major corridor nodes
Decrease Construction Costs by using form based design standards only – not regulating materials.	A full range of design regulations /options are important to address development quality issues.	<p>Gresham is seeking to increase its quality and design character and this proposal is not consistent with local objectives.</p> <p>The City's regulatory options should not be limited.</p>
<p><u>Final Note on Immigration:</u></p> <p>One issue that has not been addressed is the impacts of immigration on the ability of local communities to provide services, including needed housing. This concern is one which local officials must convey to elected state and federal representatives. Impacts and needs of immigration on housing and other services should not be ignored by the region.</p>		

Email from Pat Rusell dated 3/1/06

Ms. Bardes, certainly MAYOR Grant is entitled to his personal opinions. However, if you watch the politics of his community, in which he serves as Mayor, his influence over the decisions of the community are quite significant. He also commands the attention of his "partners" (Metro Councilors and fellow Mayors and councilors of the region)--much more so than a lowly citizen like my self.

I think Mr. Grant has no concept of affordable housing needs in our region.

My opinion of the condo conversions in our region is that building owners are realizing astronomical profit margins ("cashing in"), and relieving themselves of maintenance headaches they build into or bought into when the buildings were constructed (some very shoddily). I personally witnessed one 400 unit apartment project having to be resided before it was 10 years old and an entire outside decks had to be reconstructed (including stairwells). We are talking about a prime location development and poor construction/management/upkeep.

If in fact, rental housing investments were so bad, as Mr. Grant states, then it shows that the real estate market cannot regulate itself to sustain itself profitably in the first place. Why should we of the Portland region, rely on unpredictable private ventures to be fair to all those who need a reasonable roof over their head?

Mr. Grant certainly has not made any effort in his city, as Mayor, to provide housing for persons who earn, say, an income of about \$20,000 per year which is considered a minimum wage job (that's about \$7/hr). Where is the housing for the people who perform the work no one else wants to do in his community?

That, lack of housing, over the last 40 years has been deemed being "discriminatory", according to HUD.

A family income wage earner making about \$12 per hour amounts to about a \$2,000 per month wage or about \$24,000 per year.

If we talk about low to moderate income housing then first we are talking about 50 to 80% of the median income of the area--whatever that is. If the median in Portland region is say, \$50,000, then the 50% income would be only \$25,000/yr (or the \$12/hr wage). If we follow HUD guideline on affordability, then we only allocate 30% of the gross income for housing--that means a rental of about \$600 per month for a family of FOUR! I challenge this mayor to show me all the wanting housing that provides a nice 2 bedroom, 2 bath apartment with patios, play equipment, carports, etc. for under \$600 per month. In fact, I have read that statistics show that very few families spend 30% or less on housing. So, yes, we can argue that the HUD criteria is somewhere in fairyland. However, that doesn't excuse the issue of housing need.

If we are talking about the needs of many of our young single adults right out of high school with minimum wage jobs, then any housing (say 1 bed; 1 bath apartment) will be beyond their affordability range. I don't see many bachelor apartments over the garages of the palatial homes in Happy Valley. Of course, many have a mother-in-law suite in the basement. Certainly, these young adults will NOT be welcomed (ie affordability) in HAPPY VALLEY unless at least three or four "buddies" move in together. And how many respectable neighbors would appreciate four single guys next to them?

AFFORDABLE "housing" in today's world in the Portland area usually implies both husband and wife must work and pay for daycare to stay slightly even. We are not savers, but rather debtors up to our ears. That is the REAL problem.....our children growing up without parental influence (a stay at home

spouse) (the way it used to be--ha,ha). The exception are the people in the \$40,000 income bracket and above.

Coupled with a very stagnant employment income trend, workers assets are being taken away from them--most of our small employers are not offering health insurance (or very poor coverage), sick leave and vacation time, and very little "retirement" or investment matching opportunities. I have saved over 50 articles about even the big employers and their global strategy and employee compensation, if the Mayor needs proof. (Say, big box store for starters). We don't even talk much about the small businessman who also practices hiring only part-time or full time with minimal benefits. So we are back to russian roulette on our health and reliant on some future Social Security "promise" that might not materialize in 2040--hey--the same time as REgion 2040! So then all these low/family wage income earners will then be able to look forward to senior housing--whatever that will mean then.

Mr. Grant is selling a very elitist and self-minded concept. I wish this person well, even though I don't really know him that well. This is a very pervasive attitude, seemingly, in most of the business world of Portland. Hey, lets talk about the role of good corporate citizens and paying their fair share. When are we going to have a corporate tax equal to the income tax? When are we going to stop allowing all our state assets to be exported to foriegn countries in an unsustainable manner? Tough love doesn't cut it.

Hey, lets talk schools. When is Happy Valley going to address the school impact they created from their **growth inducing planning posture?** NOW the city is asking the school district to do its part by building new schools through voter bonds? Why should I pay for schools not in my area? Why would I want the bond to be passed and my property tax go toward paying for THEIR growth problems? Why should I be paying Happy Valley's widening of Sunnyside Drive with my federal tax dollars (ISTEA) and gas tax when I never use those roads? When is the

county going to fix MY pot hole and provide the proper street design, sidewalks, street trees, city lights, proper speed limits etc.? When is METRO going to address the issue of adequate funding of public facilities and services concurrent with expansion of urban areas? When is Happy Valley going to bring back the Salmon to its headwaters CPR? It's the " All for me and only a little for others, and only if I so choose." issue. The problem is that NOT ENOUGH PEOPLE are generous enough to share the shirt off their backs to the those less fortunate. That's where our democracy in America should be stepping in and attempt to level the "playing field". Perhaps with a few more tax breaks on this gentleman's rental investments, we might be able to get him to agree to share with us his windfall profits when he plans to sell his "investments".

Let's keep things in perspective. There are a LOT of folks hurting out there while many others are driving around in their polluting lexus sportos, with fewer cares in the world like eating, having clothes on their back and being able to sleep somewhere warm at night during our cold rainy wet winters.

Pat Russell
16358 SE Hearthwood Drive
Clackamas, OR 97015
(503) 656-9681
Email: flanagan112@hotmail.com