

METRO POLICY ADVISORY COMMITTEE MEETING RECORD

March 8, 2006 – 5:00 p.m.

Metro Regional Center, Council Chambers

Committee Members Present: Chuck Becker, Nathalie Darcy, Rob Drake, Andy Duyck, John Hartsock, Jack Hoffman, Tom Hughes, Richard Kidd, Tom Potter, Lane Shetterly

Committee Members Absent: Ken Allen, Richard Burke, Bernie Giusto, Diane Linn, Wilda Parks, Katherine Ruthruff, Larry Sowa, Erik Sten, Steve Stuart, (Multnomah Co. Special Districts – vacant, Governing Body of School District –vacant)

Alternates Present: Bob Bailey, Larry Cooper, Tim Crail, Laura Hudson, Norm King, David Ripma

Also Present: Bill Ashworth, Oregon Realty and HCTF; Hal Bergsma, City of Beaverton and HCTG; Carol Chesarek, Citizen; Kathy Christy, Candidate for Metro; Bob Clay, City of Portland; Valerie Counts, City of Hillsboro; Danielle Cowan, City of Wilsonville; Sara Culp, Mayor Tom Potter’s office; Brent Curtis, Washington County; Jon Holan, City of Forest Grove; Jim Jacks, City of Tualatin; Gil Kelley, City of Portland; Irene Marvich, League of Women Voters; Doug McClain, Clackamas County; Laura Oppenheimer, The Oregonian; Mike Ragsdale, GPAC; Pat Ribellia, City of Hillsboro; Paul Savas, Clackamas County; Amy Scheckla-Cox, Cornelius Council; Jonathan Schlueter, Westside Economic Alliance; Andy Smith, Multnomah County; David Zagel, TriMet

Metro Elected Officials Present: Liaisons – Carl Hosticka, Council District 3, Susan McLain, Council District 4; Robert Liberty, Council District 6 others in audience: Brian Newman, Council District 2; Rex Burkholder, Council District 5; Council President David Bragdon

Metro Staff Present: Kim Bardes, Dick Benner, Dan Cooper, Andy Cotugno, Chris Deffebach, Jim Desmond, Robin McArthur, Linnea Nelson, Amelia Porterfield, Ken Ray, Reed Wagner

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

Chair Richard Kidd, called the meeting to order at 5:08 p.m. Chair Kidd asked those present to introduce themselves.

2. CITIZEN COMMUNICATIONS FOR NON-AGENDA ITEMS

There was none.

Chair Kidd announced that at the first MPAC meeting of each month Andy Cotugno would give an update on what the Joint Policy Advisory Committee (JPACT) was doing.

Andy Cotugno, Metro Planning Director, gave a short update on JPACT. He said that JPACT would be devoting a good portion of their time at the next meeting to scoping the Regional Transportation Plan (RTP) Update. He said they were just at the beginning of that process. He said that the biggest issue would be finances as there were a lot of expectations and not enough resources. JPACT was also finalizing the kickoff process for the funding that Metro allocates through Metropolitan Transportation Improvement Program (MTIP). He said that JPACT was also in the beginning stages of the Oregon Department of Transportation (ODOT) allocation process.

Councilor Robert Liberty asked that Metro, JPACT, and MPAC make sure that MPAC was weighing in on big transportation issues.

Lane Shetterly, Department of Land Conservation and Development, gave an update on Measure 37 and Senate Bill (SB) 82.

3. CONSENT AGENDA

Meeting Summary for February 22, 2006:

Motion:	Mayor Rob Drake, City of Beaverton, with a second from, Andy Duyck, Washington County Commissioner, moved to adopt the consent agenda without revisions.
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Vote:	The motion passed unanimously.
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4. COUNCIL UPDATE

Councilor Carl Hosticka said that at the next meeting the Council would be considering the Open Spaces Bond Measure proposal. He said that the Ag/Urban study group had been meeting and he anticipated an update on that for MPAC soon. He said that Metro had a meeting to discuss the Regional Transportation Plan (RTP) and he anticipated that it would be a bigger deal than just figuring out which projects they would fund. The transportation system for years had been trying to play catch up on land use to deal with problems created by where people live. They have now realized that it will probably never catch up and they would have to start doing something different in transportation and/or land use.

5. GPAC REPORT ON ACTIVITIES

Mike Ragsdale, GPAC Chair, gave an update on the Greenspaces Policy Advisory Committee (GPAC). He said that they had developed a work program for 2006 and started a work plan for 2007. He said that a big area of concern was operations and maintenance, and the committee was working on a comprehensive overview of finances for parks and natural spaces in the region. There was a heavy focus on institutional relationships and they wanted to aspire to a world-class system of parks and greenspaces in Oregon. He said that the role of GPAC was a convening role. During 2006 GPAC would be giving out reports on their conclusions. He said that GPAC would be looking to staff around the region to help them do the work.

6. EXPANSION AREA PLANNING FUND

Councilor Brian Newman gave a brief explanation of the Expansion Area Planning Fund (EAPF) proposal.

Mayor Chuck Becker, City of Gresham, reiterated his concern that the City of Gresham be reimbursed for the work they had already done on comprehensive planning for the land brought into their area.

Councilor Newman said that Metro had done some outreach to find out what jurisdictions had done regarding some up-front work paid out of their own general fund. He said there were other cities besides Gresham who had done or started some work. He said that Metro would try not to penalize jurisdictions that had already done some planning. Metro would go back to 2002 and try to reimburse those jurisdictions.

Mayor Rob Drake, City of Beaverton, asked how much had already been expended.

Councilor Newman said that if all the jurisdictions were taken together it was about \$1.3 million.

Councilor David Ripma, City of Troutdale, said that given the amount of money to be made by an expansion, and the possible harm to other jurisdictions that did not expand, why should the rest of the people, who were potentially harmed by the expansion, be forced to pay for planning of the expansion areas? He said that there had to be a better way to bring in money other than taxing everyone not involved in the expansion.

Councilor Newman said that issue had been discussed, and the feeling had been that the expansion affected the whole region. The expansion areas serve everyone in the region. Everyone benefits from a well-planned region. If we continue to bring land into the boundary and nothing happens, then that hurts the credibility of the land use system. Therefore there was concern to find a way to make sure the system would work and that those Metro policy decisions to bring in land would serve the entire region.

Councilor Ripma said that speaking for a jurisdiction that was under-developed and would not benefit from expansion elsewhere – whatever area that was expanding should be the area that paid for it. He said that he did not support this policy.

Councilor Liberty and Newman said that developers generally were supportive of the proposal.

Commissioner Bob Bailey, City of Oregon City, said that the City of Oregon City was supportive of the proposal. He asked Mr. Ripma how the proposal would harm or reduce development in Troutdale.

Councilor Ripma said it would force development elsewhere. He said it was the kind of thing that would force development someplace else. He said that Troutdale, Fairview, and Wood Village had undeveloped industrial land and he wondered why those cities should subsidize expansion in Washington County, and Springwater when there was developable land in their cities?

Councilor Newman explained the rate and fee process. He said that the developers that Metro had spoken with had said that the fee would not affect whether they built in other areas or not. He said that while they did not support this type of fee in the past, they realized that for planning and development to happen in some places they would need to find some sort of solution.

Commissioner Ripma said it would benefit the areas that were coming in but not everyone else in the region. He said they were the ones gaining and they should be the ones to pay. He said that he would oppose the proposal.

Mayor Norm King, City of West Linn, expressed concern that they would not raise enough money to cover costs for all new areas to comprehensive plan. He asked what Metro planned to do if there were not enough funds.

Councilor Newman said that the numbers were achieved by what the cities themselves had estimated and provided to Metro. He said that Metro got the figures directly from the cities. He explained how the fee and payment process would work.

Councilor Jack Hoffman, City of Lake Oswego, asked about the next big issue which was finding funds for roads, water, and sewer needs.

Councilor Newman said that it was definitely a big question that needed to be addressed, but he said that they should take this small step of planning areas first, and get that approved before moving forward and taking a look at the infrastructure. He said they would probably tackle that in the Big Look/New look efforts.

Councilor Hoffman said that the biggest “loser” in this proposal would be the City of Portland.

Gil Kelley, City of Portland, said it was not a tax on the City of Portland per se, but the city would clearly be the largest donor and did not stand to receive much direct benefit. He said that the city councilors felt that even though they would not see a large benefit – they wanted to be good partners and to see good planning at the edges. He said that the urban growth boundary (UGB) experiment was a fragile one and even though the City of Portland frankly disagreed with the extent of the 2002 expansion, once that decision was made they at least agreed that we were all responsible for carrying out good planning with whatever area was brought in. It was clear that there was no money available for planning in the periphery and some collective pool was needed to do that. He agreed that it did not solve the infrastructure problem, but at least the concepts would be planned for how those areas wanted to be developed.

Mayor Drake said he had wrestled with the issue of areas brought in but not developed. He said he was not crazy about the proposal. He said that citizens expected new development to pay for itself. He said that one problem with the proposal was that the tax would be on development that was already in existing areas. He said he could effectively argue that it was not his citizens’ responsibility to pay for new development. He said he would like to see new development pay for itself more because he didn’t feel that was currently happening. He said that they would have to figure out how to pay for infrastructure, especially for transportation. He said he would want to be sure that there was an airtight sunset on this fee. He said that anything new to be enacted would have to go back through the public process. He said it was fair to pay for all of the 2002 and 2004 expansions with this proposal since nobody had put forward a better idea. He said that schools should not have to pay this fee and expressed his desire to have schools excluded from this tax.

Mayor Tom Hughes, City of Hillsboro, said he was also torn about this proposal. He said that on the pragmatic side this was not a lot of money per unit, and also no other solution had been determined. He said he did have some philosophical problems with the proposal, however. Asking the development community how they felt about the fee was not prudent because they probably don’t care and because they would pass the fee along to the purchaser anyway. He said he also thought that the comment about schools was good, although he had concerns. He said that the mechanisms of a market would drive the timing of development through every phase of development. When a property approached a point and time when it looked profitable to develop it, the developer would pay for planning. He said that was a timing issue and he did not see why they were worried about some places not being planned in 15-years when the UGB planning was for a 20-year land supply. He said that should work itself out via the market. He said it also suggested that good decisions would be punished and bad decisions would be rewarded. An example of a bad decision was bringing in land that was not market affordable and land that local jurisdictions did not want to plan anyway. He said that at the time the land was ready to be developed then the developers were ready to pay for concept planning. He said that he did not see a big problem with having land left over as it would still be in the land supply. As they looked ahead to each expansion they should account for that undeveloped land already (or still) in the supply and therefore bring in less land. The minute they put this proposal on the table then the willingness of developers to pay for planning would go away and negotiations would be impaired.

Councilor Newman said that he did not run for his seat in order to impose excise tax on building permits to pay for planning the expansion areas. He said that this was a sincere solution to a problem put on the table by local governments. He said that Metro was working on the compliance report and most local governments were out of compliance with the functional plan as it related to doing this sort of planning. Metro could enforce compliance, but a more rational response was to find a solution. He said that the point regarding the schools was legitimate. The problem with exemption for schools was where would they draw the line? At a certain point, when you exempt enough entities, then you need to increase the rate in order to compensate for the lost revenue. He said that at a certain point this proposal had to sunset because of Metro's spending cap. He suggested that other solutions in the future might be a value-capture tax, or have expansion areas themselves pay for their own planning. The fees could be focused on the areas that benefited.

Chair Kidd said he would like to entertain a motion.

Tim Crail, Multnomah County Citizen Representative, asked about the estimates from cities and how legitimate they were. He worried that the jurisdictions could come back and say that they wanted double what they had originally asked.

Councilor Newman said that Metro would be the banker. He said that Metro would not sign intergovernmental agreement contracts that exceeded the amount agreed upon. He said that Metro would not form commitments that could not be paid for.

Commissioner Bailey asked if this proposal was to authorize a collection mechanism at this time. He asked if the proposal included policies and procedures for allocating funds to jurisdictions.

Councilor Newman explained the process outlined in the proposal.

Commissioner Bailey said it seemed that there would be cases where allocating some funds would help get a jurisdiction over the planning hump, but they would not expect for all costs to be paid and he wondered how the amount granted to each area would be allocated.

Councilor Newman said that those agreements would be reached through intergovernmental agreements (IGAs). He said that the recommendation was to make it as easy as possible.

Motion:	Councilor John Hartsock, City of Damascus, with a second from, Mayor Chuck Becker, City of Gresham, moved to recommend that MPAC accept the Expansion Area Planning Report as presented to MPAC, and to include payback to those jurisdictions that had already had an outlay of funds for the 2002 and 2004 boundary expansions, and to forward that recommendation to the Metro Council.
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There was more discussion about government resources, the market, developers and the planning process and how all those factors related to developing land over the 20-year land supply rule.

Chair Kidd called for the vote.

Vote:	Yea: Bailey, Becker, Cooper, Crail, Darcy, Drake, Duyck, Hartsock, Hoffman, Kidd, King, and Potter. Nay: Hughes and Ripma. The motion passed.
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7. OPEN SPACES BOND MEASURE

Jim Desmond, Metro Greenspaces and Parks Director, distributed resolution 06-3672A and the corresponding staff report. Those handouts are attached and form part of the record. He reviewed changes that had been made by the Metro council to the previous version of the resolution.

Chair Kidd asked for a motion.

Motion:	Mayor Drake, City of Beaverton, with a second from Nathalie Darcy, Washington County Citizen Representative, moved for approval of Resolution No. 06-3672A as presented to MPAC and to have the approval and Resolution forwarded to the Metro Council for consideration.
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Commissioner Andy Duyck, Washington County, said he felt that the resolution had deviated from what it was originally intended to be. He said that the resolution now included much outside the regional boundary area. He said that the Metro council was very aware of those deviations and issues because they had received plenty of testimony on that subject. He said he felt that the program was being crafted to include things that people definitely wanted, but also included a lot of what people didn't want.

Mayor Becker asked if there was a map.

Mr. Desmond said there were maps but that he had not brought them along this time, since they had been viewed before.

Mayor Becker asked what areas were included outside the urban growth boundary (UGB)?

Those areas were discussed.

Commissioner Duyck said that some of those areas outside the regional boundary would probably never come within Metro's jurisdiction. It was very likely that no future expansions would occur in that direction, and yet Metro would impact resource industries and outlying neighbors and yet those entities would not have representation at Metro to respond to the resolution.

Mayor Becker asked if there was need for protection of those areas.

Mr. Desmond said that those areas were chosen by a panel of biologists, scientists, and natural resource experts who were asked what areas they thought Metro should include in the measure. The ones outside of the UGB were primarily on the Westside and all were considered important to the health of the Tualatin River. The inclusion of those lands was primarily due to concerns about water quality in the Tualatin Basin.

Mayor Becker asked if Metro had done outreach to get help with those areas from other jurisdictions – jurisdictions located outside the UGB.

Mr. Desmond said that they had tried to leverage help from other agencies both inside and outside the region. He named organizations that Metro had engaged, volunteers, community groups, public and private agencies involved in stewardship of sites, etc.

Councilor Susan McLain referred to the agriculture study done by Metro where they tried to determine what the agriculture industry really needed. The Metro Councilors agreed in an amendment put forward at Metro Council the previous week that the study, as well as the discussion in the refinement process if the bond measure was to pass, would help assist them to answer that question on two levels: 1) regarding the greenspace and urban growth boundary amendment process level, and 2) the integrated issues regarding conflicting needs for the same pieces of land, whether it be parks or agricultural industries. She said that they would be putting interested parties on notice that they would integrate work of dealing with the agricultural studies, urban issues, and greenspaces.

Commissioner Duyck said that the members needed to understand that the areas under question were not in any danger of development. Most of the areas were flood plains; they had been that way for hundreds of years and would continue to be that way. There were many tools at their disposal to prevent any type of degradation. He talked about the 8-year process undertaken related to Goal 5 and Nature in Neighborhoods protection. He said the justifications for putting those particular areas on the Bond Measure map did not stand up to scrutiny.

Mr. Crail said he was concerned that forwarding this ballot would be asking the voters for too much this year with schools being in such great crisis.

Vote:	Yea: Bailey, Cooper, Crail, Darcy, Drake, Hartsock, Hoffman, Hughes, Kidd, King, Potter, and Ripma. Nay: Duyck and Becker. The motion passed.
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Mayor Becker said his opposition was due to the properties included outside the boundary.

8. HOUSING CHOICE TASK FORCE FINAL REPORT

Councilor Rex Burkholder reviewed the main points of the report and gave an overview of the charges given to the committee. He said that the committee's last meeting would be next week. He reviewed future steps for the members.

Chris Deffebach, Long Range Planning Manager, reviewed comments from MTAC, which was included in the meeting packet.

Councilor Liberty said every time Affordable Housing came up for discussion at MPAC the members agreed that it was a regional discussion and that it was an important issue.

Mayor Drake said that there were two points that MTAC made the previous week which had to do with serious reservations about linking affordable housing to greenspaces and transportation funding, which he said that he agreed with. The other serious reservations were about inclusionary zoning. He wondered if there was a way to address finding a voluntary way of dealing with it, without taking it to the legislature. He said that beyond those points the report did nice job of addressing the salient issues.

Councilor Hoffman said that they must make an effort not to trivialize the local variation – one size did not fit all. This was an important concept to remember.

Councilor Liberty said that he thought the task force had been very cognizant of the issue that some places had more affordable housing supply than others. He said that the primary concern was toward areas that were not meeting the burden. He said the emphasis should be that everyone had a stake in

fixing this issue. He said that in the growth concept it explicitly said that concentrations of poverty were something to be avoided from a regional perspective.

Nathalie Darcy, Washington County Citizen Representative, said she searched a website called "Housing Connections" which was a local website to search for housing. It would help locate, based on your salary for your area, affordable rent units. She said she plugged in what she thought would be typical rent for someone with 30% of average income, which calculated out to about \$400. She then did a search of the region (all four counties) for rental units renting for around that amount. She wanted something that would be available within 60 days for \$400 a month and she said she found about 20 possibilities. When she drilled down by individual county, however, most of those opportunities were located in Multnomah County. For Clackamas County and Washington County there was only one rental unit available for each. She said that showed a huge regional inequity.

Chair Kidd said that he recently had a discussion with some developers regarding including some habitat for humanity units in a new development. He said that the developers did not seem interested in talking about inclusionary zoning in their new projects, although they said they would be willing to provide it somewhere else. He said that inclusionary zoning was difficult to impose on builders on small amounts of land.

Councilor Liberty said that there was a mix of housing needs categories. He said that he had heard that 20% of the homeless had jobs. So you could go from complete subsidy to no subsidy. He said he was worried that the market on rental housing was getting down to 70%-80% and as soon as the single family home building boom died down that would start to rise and the problem would get a lot worse. He said they would need to be thinking about strategies where there was a big, modest, and low government investment scale and they needed to make sure that they did not lose a whole bunch of low income housing when this happened.

Councilor Ripma said that he had concern about any program that would be adopted, such as the housing score idea, because it would put a great burden on a small city's resources. Any program that was adopted should count the existing supply and some credit should be given for maintaining that supply.

Councilor Rex Burkholder said that the affordable housing concern was not an easy issue, and he thanked the MPAC members for the time that they had placed on this issue. He thanked the committee for the hard work that they had put into the report. He said that they had identified a lot of good ideas to pursue.

There being no further business, Chair Kidd adjourned the meeting at 7:07 p.m.

Respectfully submitted,



Kim Bardes
MPAC Coordinator

ATTACHMENTS TO THE RECORD FOR MARCH 8, 2006

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

AGENDA ITEM	DOCUMENT DATE	DOCUMENT DESCRIPTION	DOCUMENT NO.
#5 Greenspaces Bond Measure	3/1/06	Letter to David Bragdon from Tom Brian, Washington County Chair re: 2006 Greenspaces Bond Measure Regional Target Area	030806-MPAC-01
#6 EAPF	3/8/06	Memorandum from Mayor Chuck Becker, City of Gresham to MPAC Chair, Mayor Richard Kidd and the members of MPAC re: Expansion Area Planning Fund	030806-MPAC-02
#7 Open Spaces Bond Measure	3/3/06	Greenspaces Bond Measure Resolution No. 06-3672A: For the Purpose of Submitting to the Voters of the Metro Area a General Obligation Bond Indebtedness in the Amount of \$227.4 Million to Fund Natural Area Acquisition and Water Quality Protection	030806-MPAC-03
#7 Open Spaces Bond Measure	3/3/06	Greenspaces Bond Measure Resolution No. 06-3672A Staff Report: For the Purpose of Submitting to the Voters of the Metro Area a General Obligation Bond Indebtedness in the Amount of \$227.4 Million to Fund Natural Area Acquisition and Water Quality Protection	030806-MPAC-04