

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE) Ordinance No. 06-1129B
REGIONAL FRAMEWORK PLAN TO REVISE)
METRO POLICIES ON HOUSING CHOICE)
AND AFFORDABLE HOUSING AND)
AMENDING METRO CODE SECTIONS)
3.07.710 THROUGH 3.07.760 TO IMPLEMENT) Introduced by Councilors Rex Burkholder and
THE NEW POLICIES) Robert Liberty

WHEREAS, the provision of housing choice for all families and individuals across the region is a matter of regional concern because of its impact on regional economic competitiveness, access to jobs, transportation investments, environmental quality and issues of fairness to people and among communities; and

WHEREAS, Metro established the Housing Choice Task Force (“HCTF”) to make recommendations to the Metro Council on strategies to increase the supply of affordable housing and housing choices in the region; and

WHEREAS, the HCTF submitted its Regional Housing Choice Implementation Strategy (“RHCIS”) to the Metro Council in March, 2006, with a comprehensive set of recommendations for policies and mechanisms to increase housing choice and the production and preservation of affordable housing; and

WHEREAS, the Metro Council accepted the recommendations of the HFTF contained in the RHCIS by Resolution No. 06-3677B (For the Purpose of Accepting the Regional Housing Choice Task Force Strategy Recommended by the Housing Choice Task Force Appointed by the Metro Council) on April 20, 2006; and

WHEREAS, the Metro Council, by the same Resolution No. 06-3677B, directed the Chief Operating Officer to prepare an ordinance for consideration by the Council to make appropriate amendments to the Regional Framework Plan and the Urban Growth Management Functional Plan to implement the recommendations of the RHCIS; and

WHEREAS, the Metropolitan Policy Advisory Council reviewed the proposed amendments and recommended that the Metro Council adopt the amendments; and

WHEREAS, the Metro Council held a public hearing on the proposed amendments on ~~December~~, 2006 January 25, 2007, and considered public comments in their decision-making; now, therefore,

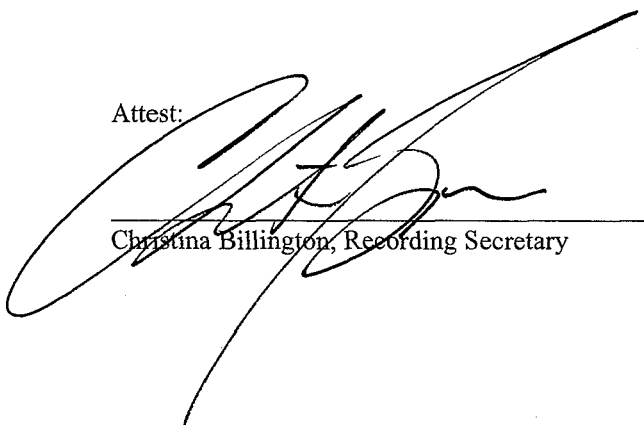
THE METRO COUNCIL ORDAINS that:

1. Policy 1.3 of the Regional Framework Plan is amended as indicated in Exhibit A, attached and incorporated into this ordinance.
2. Metro Code sections 3.07.710 through 3.07.760 (Title 7 of the Urban Growth Management Functional Plan) are amended as indicated in Exhibit B, attached and incorporated into this ordinance.
3. The amendments to the Regional Framework Plan and the Urban Growth Management Functional Plan comply with the statewide planning goals as indicated in Exhibit C, the Findings of Fact and Conclusions of Law, attached and incorporated into this ordinance.

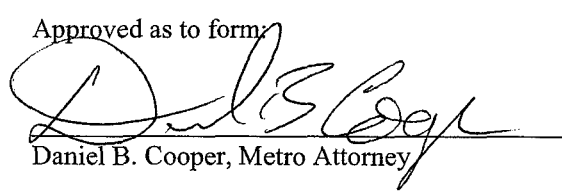
ADOPTED by the Metro Council this 25th day of January, 2007.


David Bragdon, Council President

Attest:


Christina Billington, Recording Secretary

Approved as to form:


Daniel B. Cooper, Metro Attorney

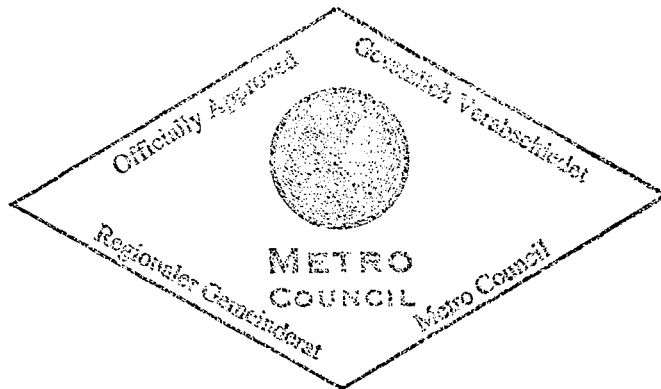


Exhibit A to Ordinance No. 06-1129B
Amendments to the Regional Framework Plan Policy 1.3

1.3 Housing Choice

It is the policy of the Metro Council to:

- 1.3.1 Provide housing choices in the region, including single family, multi-family, ownership and rental housing, and housing offered by the private, public and nonprofit sectors.
- 1.3.2 As part of the effort to provide housing choices, encourage local governments to ensure that their land use regulations:
 - a. Allow a diverse range of housing types;
 - b. Make housing choices available to households of all income levels; and
 - c. Allow affordable housing, particularly in Centers and Corridors and other areas well-served with public services.
- 1.3.3 Maintain voluntary affordable housing production goals for the region, to be revised over time as new information becomes available and displayed in Chapter 8 (Implementation), and encourage their adoption by the cities and counties of the region.
- 1.3.4 Encourage local governments to consider the following tools and strategies to achieve the affordable housing production goals:
 - a. Density bonuses for affordable housing;
 - b. A no-net-loss affordable housing policy to be applied to quasi-judicial amendments to the comprehensive plan;
 - c. A voluntary inclusionary zoning policy;
 - d. A transferable development credits program for affordable housing;
 - e. Policies to accommodate the housing needs of the elderly and disabled;
 - f. Removal of regulatory constraints on the provision of affordable housing; and
 - g. Policies to ensure that parking requirements do not discourage the provision of affordable housing.
- 1.3.5 Require local governments in the region to report progress towards increasing the supply of affordable housing and seek their assistance in periodic inventories of the supply of affordable housing.
- 1.3.6 Work in cooperation with local governments, state government, business groups, non-profit groups and citizens to create an affordable housing fund available region wide in order to leverage other affordable housing resources.

- 1.3.7 Provide technical assistance to local governments to help them do their part in achieving regional goals for the production and preservation of housing choice and affordable housing.
- 1.3.8 Integrate Metro efforts to expand housing choices with other Metro activities, including transportation planning, land use planning and planning for parks and greenspaces.
- 1.3.9 When expanding the Urban Growth Boundary, assigning or amending 2040 Growth Concept design type designations or making other discretionary decisions, seek agreements with local governments and others to improve the balance of housing choices with particular attention to affordable housing.
- 1.3.10 Consider incentives, such as priority for planning grants and transportation funding, to local governments that obtain agreements from landowners and others to devote a portion of new residential capacity to affordable housing.
- 1.3.11 Help ensure opportunities for low-income housing types throughout the region so that families of modest means are not obliged to live concentrated in a few neighborhoods, because concentrating poverty is not desirable for the residents or the region.
- 1.3.12 For purposes of these policies, “affordable housing” means housing that families earning less than 50 percent of the median household income for the region can reasonably afford to rent and earn as much as or less than 100 percent of the median household income for the region can reasonably afford to buy.

Exhibit A to Ordinance No. 06-1129B
Amendments to the Regional Framework Plan Policy 1.3

1.3 ~~Housing and Affordable Housing~~ Choice

It is the policy of the Metro Council to:

1.3.1 Provide housing choices in the region, including single family, multi-family, ownership and rental housing, and housing offered by the private, public and nonprofit sectors.

~~1.3.12~~ E~~As part of the effort to provide housing choices, encourage affordable housing opportunities in the region by~~ local governments to ensure that their land use regulations:

a. ~~Offering~~ Allow a diverse range of housing types, ~~available within the region, and within cities and counties inside Metro's Urban Growth Boundary.;~~

b. ~~Being~~ Make housing choices available to households of all income levels ~~that live or have a member working in each jurisdiction and subregion.;~~ and

c. ~~Providing an appropriate balance of jobs and housing of all types within subregions.~~

~~d.~~ Addressing current and future need for and supply of affordable housing production goals. Allow affordable housing, particularly in Centers and Corridors and other areas well-served with public services.

~~e.~~ Minimizing any concentration of poverty.

~~1.3.23~~ I~~nclude in the Urban Growth Management Functional Plan~~ Maintain voluntary affordable housing production goals for the region, to be revised over time as new information becomes available and displayed in Chapter 8 (Implementation), and encourage their adoption by the cities and counties of the region, to be adopted by local jurisdictions in the region as well as land use and non-land use affordable housing tools and strategies

1.3.4 Encourage local governments to consider the following tools and strategies to achieve the affordable housing production goals:

a. Density bonuses for affordable housing;

b. A no-net-loss affordable housing policy to be applied to quasi-judicial amendments to the comprehensive plan;

c. A voluntary inclusionary zoning policy;

d. A transferable development credits program for affordable housing;

e. Policies to accommodate the housing needs of the elderly and disabled;

f. Removal of regulatory constraints on the provision of affordable housing; and

- g. Policies to ensure that parking requirements do not discourage the provision of affordable housing.
- 1.3.35 Require local governments in the region to report progress towards increasing the supply of affordable housing and seek their assistance in periodic inventories of the supply of affordable housing.
- 1.3.46 ~~Acknowledge that there is a need to~~ Work in cooperation with local governments, state government, business groups, non-profit groups and citizens to create an affordable housing fund available region wide in order to leverage other affordable housing resources, and that, if the region is to be successful in increasing the amount of affordable housing, such a housing fund would need the support of a wide range of interests including local government, state and business groups.
- 1.3.7 Provide technical assistance to local governments to help them do their part in achieving regional goals for the production and preservation of housing choice and affordable housing.
- 1.3.8 Integrate Metro efforts to expand housing choices with other Metro activities, including transportation planning, land use planning and planning for parks and greenspaces.
- 1.3.9 When expanding the Urban Growth Boundary, assigning or amending 2040 Growth Concept design type designations or making other discretionary decisions, seek agreements with local governments and others to improve the balance of housing choices with particular attention to affordable housing.
- 1.3.10 Consider incentives, such as priority for planning grants and transportation funding, to local governments that obtain agreements from landowners and others to devote a portion of new residential capacity to affordable housing.
- 1.3.11 Help ensure opportunities for low-income housing types throughout the region so that families of modest means are not obliged to live concentrated in a few neighborhoods, because concentrating poverty is not desirable for the residents or the region.
- 1.3.12 For purposes of these policies, “affordable housing” means housing that families earning less than 50 percent of the median household income for the region can reasonably afford to rent and earn as much as or less than 100 percent of the median household income for the region can reasonably afford to buy. ~~without spending more than 30 percent of their after tax income~~

Exhibit B to Ordinance No. 06-1129B
Amendments to Metro Code Sections 3.07.720 through 3.07.760

TITLE 7: HOUSING CHOICE

3.07.710 Intent

The Regional Framework Plan calls for establishment of voluntary affordable housing production goals to be adopted by local governments and assistance from local governments on reports on progress towards increasing the supply of affordable housing. It is the intent of Title 7 to implement these policies of the Regional Framework Plan.

3.07.720 Voluntary Affordable Housing Production Goals

Each city and county within the Metro region should adopt the Affordable Housing Production Goal indicated in Table 3.07-7, as amended over time, as a guide to measure progress toward increasing housing choices and meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.

3.07.730 Requirements for Comprehensive Plan and Implementing Ordinance Changes

Cities and counties within the Metro region shall ensure that their comprehensive plans and implementing ordinances:

- A. Include strategies to ensure a diverse range of housing types within their jurisdictional boundaries.
- B. Include in their plans actions and implementation measures designed to maintain the existing supply of affordable housing as well as increase the opportunities for new dispersed affordable housing within their boundaries.
- C. Include plan policies, actions, and implementation measures aimed at increasing opportunities for households of all income levels to live within their individual jurisdictions in affordable housing.

3.07.740 Inventory and Progress Reports on Housing Supply

- A. Local governments shall assist Metro in the preparation of a biennial affordable housing inventory by fulfilling the reporting requirements in subsection 3.07.120D of Title 1

(Requirements for Housing and Employment Accommodation) and subsection B of this section.

B. Local governments shall report their progress on increasing the supply of affordable housing to Metro on a form provided by Metro, to be included as part of the biennial housing inventory described in subsection A. Local governments shall submit their first progress reports on July 31, 2007, and by April 15 every two years following that date. Local governments may report their progress as part of the capacity reports required by subsection 3.07.120D of Title 1 (Requirements for Housing and Employment Accommodation). Progress reports shall include, at least, the following information:

1. The number and types of units of affordable housing preserved and income groups served during the reporting period, as defined in Metro's form;
2. The number and types of units of affordable housing built and income groups served during the reporting period;
3. Affordable housing built and preserved in Centers and Corridors; and
4. City or county resources committed to the development of affordable housing, such as fee waivers and property tax exemptions.

3.07.750 Technical Assistance

Cities and counties are encouraged to take advantage of the programs of technical and financial assistance provided by Metro to help achieve the goal of increased production and preservation of housing choices and affordable housing and to help fulfill the monitoring and reporting requirements of this title.

Table 3.07-7
Five-Year Voluntary Affordable Housing Production Goals
 (Section 3.07.720)

Jurisdiction	2001-2006 Affordable Housing Production Goals		
	<i>Needed new housing units for households earning less than 30% of median household income</i>	<i>Needed new housing units for households earning 30-50% of median household income</i>	<i>Total</i>
Beaverton	427	229	656
Cornelius	40	10	50
Durham	6	4	10
Fairview	42	31	73
Forest Grove	55	10	65
Gladstone	43	10	53
Gresham	454	102	556
Happy Valley	29	28	57
Hillsboro	302	211	513
Johnson City	0	0	0
King City	5	0	5
Lake Oswego	185	154	339
Maywood Park	0	0	0
Milwaukie	102	0	102
Oregon City	123	35	158
Portland	1,791	0	1,791
Rivergrove	1	1	2
Sherwood	67	56	123
Tigard	216	103	319
Troutdale	75	56	131
Tualatin	120	69	189
West Linn	98	71	169
Wilsonville	100	80	180
Wood Village	16	1	17
Clackamas County, Urban, Unincorporated	729	374	1,103
Multnomah County, Urban, Unincorporated*	81	53	134
Washington County, Urban Unincorporated	1,312	940	2,252
Total	6,419	2,628	9,047

* Strategies and implementation measures addressing these housing goals are in the Progress Reports of the Cities of Portland, Gresham and Troutdale.

Exhibit B to Ordinance No. 06-1129B
Amendments to Metro Code Sections 3.07.720 through 3.07.760

TITLE 7: ~~AFFORDABLE~~ HOUSING CHOICE

3.07.710 Intent

The Regional Framework Plan ~~stated the need to provide affordable housing opportunities through: a) a diverse range of housing types, available within the region, and within cities and counties inside Metro's Urban Growth Boundary; b) sufficient and affordable housing opportunities available to households of all income levels that live or have a member working in each jurisdiction and subregion; c) an appropriate balance of jobs and housing of all types within subregions; d) addressing current and future need for and supply of affordable housing in the process used to determine affordable housing production goals; and e) minimizing any concentration of poverty.~~ The Regional Framework Plan directs that Metro's Urban Growth Management Functional Plan include calls for establishment of voluntary affordable housing production goals to be adopted by local jurisdictions in the region as well as land use and non-land use affordable housing tools and strategies governments and assistance from local governments on reports on. ~~The Regional Framework Plan also directs that Metro's Urban Growth Management Functional Plan include local governments' reporting progress towards increasing the supply of affordable housing.~~ It is the intent of Title 7 to implement these policies of the Regional Framework Plan.

~~Title 1 of this functional plan requires cities and counties to change their zoning to accommodate development at higher densities in locations supportive of the transportation system. Increasing allowable densities and requiring minimum densities encourage compact communities, more efficient use of land and should result in additional affordable housing opportunities. These Title 1 requirements are parts of the regional affordable housing strategy.~~

3.07.720 Voluntary Affordable Housing Production Goals

Each city and county within the Metro region should adopt the Affordable Housing Production Goal indicated in Table 3.07-7, ~~for their city or county~~ as amended over time, as a guide to measure progress toward increasing housing choices and meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.

3.07.730 Requirements for Comprehensive Plan and Implementing Ordinance Changes

~~A.~~ Cities and counties within the Metro region shall ensure that their comprehensive plans and implementing ordinances:

~~1A.~~ Include strategies to ensure a diverse range of housing types within their jurisdictional boundaries.

~~2B.~~ Include in their plans actions and implementation measures designed to maintain the existing supply of affordable housing as well as increase the opportunities for new dispersed affordable housing within their boundaries.

~~3C.~~ Include plan policies, actions, and implementation measures aimed at increasing opportunities for households of all income levels to live within their individual jurisdictions in affordable housing.

~~B. Cities and counties within the Metro region shall consider amendment of their comprehensive plans and implementing ordinances with the following affordable housing land use tools and strategies identified below. Compliance with this subsection is achieved when the governing body of a city or county considers each tool or strategy in this subsection and either amends its comprehensive plan and implementing ordinances to adopt the tool or strategy or explains in writing why it has decided not to adopt it.~~

~~1. Density Bonus. A density bonus is an incentive to facilitate the development of affordable housing. Local jurisdictions could consider tying the amount of bonus to the targeted income group to encourage the development of affordable units to meet affordable housing production goals.~~

~~2. Replacement Housing. No-Net-Loss housing policies for local jurisdictional review of requested quasi-judicial Comprehensive Plan Map amendments with approval criteria that would require the replacement of existing housing that would be lost through the Plan Map amendment.~~

~~3. Inclusionary Housing.~~

- ~~a. Implement voluntary inclusionary housing programs tied to the provision of incentives such as Density Bonus incentives to facilitate the development of affordable housing.~~
- ~~b. Develop housing design requirements for housing components such as single-car garages and maximum square footage that tend to result in affordable housing.~~
- ~~e. Consider impacts on affordable housing as a criterion for any legislative or quasi-judicial zone change.~~

~~4. Transfer of Development Rights.~~

- ~~a. Implement TDR programs tailored to the specific conditions of a local jurisdiction.~~
- ~~b. Implement TDR programs in Main Street or Town Center areas that involve upzoning.~~

~~5. Elderly and People with Disabilities. Examine zoning codes for conflicts in meeting locational needs of these populations.~~

~~6. Local Regulatory Constraints; Discrepancies in Planning and Zoning Codes; Local Permitting or Approval Process.~~

- ~~a. Revise the permitting process (conditional use permits, etc.).~~
- ~~b. Review development and design standards for impact on affordable housing.~~
- ~~c. Consider using a cost/benefit analysis to determine impact of new regulations on housing production.~~
- ~~d. Regularly review existing codes for usefulness and conflicts.~~
- ~~e. Reduce number of land use appeal opportunities.~~

~~f. Allow fast tracking of affordable housing.~~

~~7. Parking.~~

~~a. Review parking requirements to ensure they meet the needs of residents of all types of housing.~~

~~b. Coordinate strategies with developers, transportation planners and other regional efforts so as to reduce the cost of providing parking in affordable housing developments.~~

~~3.07.740 Requirements for Inventory and Progress Reports on Housing Supply~~

~~Progress made by local jurisdictions in amending comprehensive plans and implementing ordinances and consideration of land use related affordable housing tools and strategies to meet the voluntary affordable housing production goals shall be reported according to the following schedule:~~

~~A. By January 31, 2002, cities and counties within the Metro region shall submit a brief status report to Metro as to what items they have considered and which items remain to be considered. This analysis could include identification of affordable housing land use tools currently in use as well as consideration of the land use tools in Section 3.07.730(B).~~

~~B. By December 31, 2003, each city and county within the Metro region shall provide a report to Metro on the status of its comprehensive plan and implementing ordinances explaining how each tool and strategy in subsection 3.07.730B was considered by its governing body. The report shall describe comprehensive plan and implementing ordinance amendments pending or adopted to implement each tool and strategy, or shall explain why the city or county decided not to adopt it.~~

~~C. By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community's stock of affordable~~

~~housing, including but not limited to the tools and strategies in subsection 3.07.730B.~~

~~3.07.750 Metro Assessment of Progress~~

~~A. Metro Council and MPAC shall review progress reports submitted by cities and counties and may provide comments to the jurisdictions.~~

~~B. Metro Council shall:~~

~~1. In 2003, estimate 2000 baseline affordable housing units affordable to defined income groups (less than 30 percent, 31-50 percent, 51-80 percent of the region's median family income) using 2000 U.S. Census data;~~

~~2. By December 2004, formally assess the region's progress made in 2001-2003 to achieve the affordable housing production goals in Table 3.07-7;~~

~~3. By December 2004, review and assess affordable housing tools and strategies implemented by local governments and other public and private entities;~~

~~4. By December 2004, examine federal and state legislative changes;~~

~~5. By December 2004, review the availability of a regional funding source;~~

~~6. By December 2004, update the estimate of the region's affordable housing need; and~~

~~7. By December 2004, in consultation with MPAC, create an ad hoc affordable housing task force with representatives of MPAC, MTAC, homebuilders, affordable housing providers, advocate groups, financial institutions, citizens, local governments, state government, and U.S. Housing and Urban Development Department to use the assessment reports and census data to recommend by December 2005 any studies or any changes that are warranted to the existing process, tools and strategies, funding plans or goals to ensure that significant progress is made toward providing affordable housing for those most in need.~~

- A. Local governments shall assist Metro in the preparation of a biennial affordable housing inventory by fulfilling the reporting requirements in subsection 3.07.120D of Title 1 (Requirements for Housing and Employment Accommodation) and subsection B of this section.
- B. Local governments shall report their progress on increasing the supply of affordable housing to Metro on a form provided by Metro, to be included as part of the biennial housing inventory described in subsection A. Local governments shall submit their first progress reports on July 31, 2007, and by April 15 every two years following that date. Local governments may report their progress as part of the capacity reports required by subsection 3.07.120D of Title 1 (Requirements for Housing and Employment Accommodation). Progress reports shall include, at least, the following information:
1. The number and types of units of affordable housing preserved and income groups served during the reporting period, as defined in Metro's form;
 2. The number and types of units of affordable housing built and income groups served during the reporting period;
 3. Affordable housing built and preserved in Centers and Corridors; and
 4. City or county resources committed to the development of affordable housing, such as fee waivers and property tax exemptions.

~~3.07.760~~3.07.750 ~~Recommendations to Implement Other Affordable Housing Strategies~~Technical Assistance

- ~~A. Local jurisdictions are encouraged to consider implementation of the following affordable housing land use tools to increase the inventory of affordable housing throughout the region. Additional information on these strategies and other land use strategies that could be considered by local jurisdictions are described in Chapter Four of the Regional Affordable Housing Strategy and its Appendixes.~~

~~1. Replacement Housing. Consider policies to prevent the loss of affordable housing through demolition in urban renewal areas by implementing a replacement housing ordinance specific to urban renewal zones.~~

~~2. Inclusionary Housing. When creating urban renewal districts that include housing, include voluntary inclusionary housing requirements where appropriate.~~

~~B. Local jurisdictions are encouraged to analyze, adopt and apply locally appropriate non land use tools, including fee waivers or funding incentives as a means to make progress toward the Affordable Housing Production Goal. Non land use tools and strategies that could be considered by local jurisdictions are described in Chapter Four of the Regional Affordable Housing Strategy and its Appendixes. Cities and Counties are also encouraged to report on the analysis, adoption and application of non land use tools at the same intervals that they are reporting on land use tools (in Section 3.07.740).~~

~~C. Local jurisdictions are also encouraged to continue their efforts to promote housing affordable to other households with incomes 50% to 80% and 80% to 120% of the regional median household income.~~

~~D. Local jurisdictions are encouraged to consider joint coordination or action to meet their combined affordable housing production goals.~~

Cities and counties are encouraged to take advantage of the programs of technical and financial assistance provided by Metro to help achieve the goal of increased production and preservation of housing choices and affordable housing and to help fulfill the monitoring and reporting requirements of this title.

Table 3.07-7
Five-Year Voluntary Affordable Housing Production Goals
 (Section 3.07.720)

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Gladstone	43	10	53
Gresham	454	102	556
Happy Valley	29	28	57
Hillsboro	302	211	513
Johnson City	0	0	0
King City	5	0	5
Lake Oswego	185	154	339
Maywood Park	0	0	0
Milwaukie	102	0	102
Oregon City	123	35	158
Portland	1,791	0	1,791
Rivergrove	1	1	2
Sherwood	67	56	123
Tigard	216	103	319
Troutdale	75	56	131
Tualatin	120	69	189
West Linn	98	71	169
Wilsonville	100	80	180
Wood Village	16	1	17
Clackamas County, Urban, Unincorporated	729	374	1,103
Multnomah County, Urban, Unincorporated*	81	53	134
Washington County, Urban Unincorporated	1,312	940	2,252
Total	6,419	2,628	9,047

* Strategies and implementation measures addressing these housing goals are in the Progress Reports of the Cities of Portland, Gresham and Troutdale.

Exhibit C to Ordinance No. 06-1129B
Findings of Fact and Conclusions of Law

Ordinance No. 06-1129B amends Metro’s Regional Framework Plan (“RFP”) and Title 7 (Affordable Housing) of the Urban Growth Management Functional Plan (“UGMFP”) in order to enhance local and regional efforts to provide housing choices and affordable housing to people of the region. The practical effects of these changes are as follows:

- By elevating the voluntary affordable housing production goals from Title 7 to Regional Framework Plan policies, Metro makes the production goals the guide for all regional efforts to provide affordable housing, not just the efforts of cities and counties under Title 7.
- By moving specified strategies and tools recommended by Metro to cities and counties from Title 7 to the Regional Framework Plan, Metro makes the strategies and tools the focus of its efforts to assist cities and counties.
- New policy moves the region from a recognition that it needs to have a regional fund for affordable housing fund to a commitment to create such a fund.
- New policy commits Metro to seek agreements with cities, counties and private and public providers of affordable housing - when expanding the UGB and changing 2040 Growth Concept design-type designations - to devote a portion of new residential capacity to affordable housing.
- Clarifies city and county affordable housing reporting requirements in Title 7 by linking them to the reporting requirements in Title 1 (Requirements for Housing and Employment Accommodation).

These amendments to the Regional Framework Plan and Title 7 are a culmination of long efforts by affordable housing leaders in the region, as members of Metro’s Housing Choice Task Force, to enhance the work of the region to provide housing choices and affordable housing. These efforts, and the reflection of them in this ordinance, continue the region’s understanding that concerted, voluntary efforts by all sectors, public, private and non-profit, to provide affordable housing remain the best way to accomplish the region’s affordable housing goals. The amendments to the RFP and Title 7 are consistent with state and regional planning goals, as explained below.

I. STATEWIDE PLANNING GOALS

Statewide Planning Goal 1 – Citizen Involvement: Metro provided notice of the proposed amendments to stakeholders and the general public by following the notification requirements in its acknowledged code. Metro provided notice to the Oregon Department of Land Conservation and Development Commission as provided in ORS 197.610 and OAR 660-018-0020. Metro sought and received comment from its Metropolitan Policy Advisory Committee (“MPAC”), which sought the advice of its Metropolitan Technical Advisory Committee (“MTAC”), both of

which recommended approval of the amendments. The Metro Council held a public hearing on the proposed ordinance on January 25, 2007. The Council concludes that these activities conform to Metro's code and policies on citizen involvement and comply with Goal 1.

Statewide Planning Goal 2 – Land Use Planning: Metro sought and received comment from the local governments that comprise the metropolitan region and from the general public. The Metro Charter establishes MPAC, composed principally of representatives of local governments in the region, and requires the Metro Council to seek its advice on amendments to the Regional Framework Plan and its components, such as the UGMFP. MPAC reviewed the ordinance and recommended revisions to the draft, which the Metro Council adopted. The Council concludes that the ordinance complies with Goal 2.

Statewide Planning Goal 3 – Agricultural Lands: Ordinance No. 06-1129B does not apply to land outside the UGB. Goal 3 does not apply to the ordinance.

Statewide Planning Goal 4 – Forest Lands: Ordinance No. 06-1129B does not apply to land outside the UGB. Goal 4 does not apply to the ordinance.

Statewide Planning Goal 5 – Natural Resources, Scenic and Historic Areas, and Open Spaces: Ordinance No. 06-1129B does not revise acknowledged land use regulations that protect Goal 5 resources. The amendments made by the ordinance do not change the boundaries on any regulatory map that applies to resources protected by Goal 5. The Council concludes that the ordinance is consistent with Goal 5.

Statewide Planning Goal 6 – Air, Land and Water Resources Quality: Ordinance No. 06-1129B does not affect resources protected by Goal 6 or revise land use regulations that protect those resources. The Council concludes that the amendments are consistent with Goal 6.

Statewide Planning Goal 7 – Areas Subject to Natural Disasters and Hazards: Ordinance No. 06-1129B does not affect areas subject to natural disasters and hazards or revise land use regulations that protect those resources. The Council concludes that the amendments are consistent with Goal 7.

Statewide Planning Goal 8 – Recreational Needs: Ordinance No. 06-1129B does not affect resources protected by Goal 8 or revise land use regulations that provide for recreation needs. The Council concludes that the amendments comply with Goal 8.

Statewide Planning Goal 9 – Economic Development: Ordinance No. 06-1129B calls for the creation of a regional affordable housing fund. Goal 9 does not apply to Metro. Nonetheless, if such a fund is created and funded, it will result in construction of new housing units. The Council concludes that the amendments are consistent with Goal 9.

Statewide Planning Goal 10 – Housing: Goals 10 calls for an inventory of buildable lands for residential use and encouragement for the availability of adequate numbers of needed housing units at price ranges and rent levels commensurate with the financial capabilities of Oregon households. The Metropolitan Housing Rule (OAR 660 Division 007) sets housing density and

housing type mix standards for the Portland metropolitan region. The rule requires cities and counties to establish specific comprehensive plan designations and clear and objective review standards for review of proposed residential development. The rule expressly charges Metro with “regional coordination”:

“(1) At each periodic review of the Metro UGB, Metro shall review the findings for the UGB. They shall determine whether the buildable land within the UGB satisfies housing needs by type and density for the region's long-range population and housing projections.

(2) Metro shall ensure that needed housing is provided for on a regional basis through coordinated comprehensive plans.”

LCDC acknowledged Title 1 (Requirements for Housing and Employment Accommodation) of Metro’s UGMFP, which requires each city and county to provide a specified capacity for housing and to allow accessory dwelling units in zones that authorize dwelling units, for compliance with the statewide planning goals on December 8, 2000. The Commission acknowledged amendments to Title 1 made by Ordinance No. 02-969B on December 5, 2002, for compliance with the goals on July 7, 2003.

LCDC acknowledged the policies of the Regional Framework Plan, including Policy 1.3 (Housing and Affordable Housing), on December 8, 2000. Amendments to Policy 1.3 by Ordinance No. 05-1086 on August 18, 2005, were acknowledged by operation of law on September 9, 2005.

Title 7 of the UGMFP and a series of amendments to it were acknowledged by operation of law by Ordinances 98-769 on September 10, 1998, 00-882C on January 18, 2001, and 03-1005A on June 29, 2003.

Metro fulfilled its periodic review “regional coordination” requirements under section 660-007-0050 of the Metropolitan Housing Rule (set forth above) by adoption of Ordinance No. 02-969B. LCDC acknowledged Ordinance No. 02-969B, including the Housing Needs Analysis (“HNA”) (Periodic Review Subtask 12b) and the 2002-2022 Urban Growth Report: A Residential Land Needs Analysis (Periodic Review Subtask 14a), on July 7, 2003. The Council incorporates its findings on Goal 10 from Ordinance No. 02-969B (Exhibit P, Section IC, page 2) here. In its order acknowledging Metro Ordinance No. 02-969B, LCDC discussed the HNA and Title 7:

“Although the HNA reflects an increase in rental households paying more than 30 percent of household income on housing in the next 20 years, Metro expects its Title 7 affordable housing programs, adopted as part of the Urban Growth Management Functional Plan (UGMFP), to offset much of the increase Ultimately, through the combination of adequate land supply

within the UGB and other measures, Metro has ‘encourage[d] the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households[.]’”

Ordinance No. 06-1129B makes no changes to the housing requirements of Title 1. It also makes no changes to the acknowledged HNA or the Urban Growth Report. The ordinance adds new sub-policies to Policy 1.3 (Housing Choice) that strengthen Metro’s commitment to affordable housing, as described in the first paragraph of these findings. The ordinance clarifies city and county reporting requirements and deletes provisions from Title 7 that were voluntary only for cities and counties of the region. Based upon the work and recommendations to Metro of the Housing Choice Task Force, the Council expects that regional housing programs under the amended Regional Framework Plan and Title 7, especially the call in Policy 1.3.6 for a regional affordable housing fund and in Policy 1.3.7 for technical assistance to local governments, will improve the region’s prospects for meeting the need for affordable housing identified in the HNA. The Council concludes that Ordinance No. 06-1129B makes complies with Goal 10.

Statewide Planning Goal 11 – Public Facilities and Services: Ordinance No. 06-1129B does not affect acknowledged public facility plans or revise land use regulations affecting those plans. The Council concludes that the amendments are consistent with Goal 11.

Statewide Planning Goal 12 – Transportation: Ordinance No. 06-1129B does not directly affect transportation or revise the acknowledged Regional Transportation Plan or acknowledged city or county transportation system plans. Nor does it require changes to those plans. The Council concludes that the amendments are consistent with Goal 12.

Statewide Planning Goal 13 – Energy Conservation: Ordinance No. 06-1129B does not affect resources protected by Goal 13 or revise land use regulations that protect those resources. The Council concludes that the amendments are consistent with Goal 13.

Statewide Planning Goal 14 – Urbanization: Ordinance No. 06-1129B does not amend or involve the UGB. Nor does the ordinance affect urbanizable land or revise Metro regulations to protect the urban potential of urbanizable land. Goal 14 governs the establishment and change of UGBs. For these reasons, the Council concludes that the amendments are consistent with Goal 14.

Statewide Planning Goal 15 – Willamette River Greenway: Ordinance No. 06-1129B does not affect the Willamette River Greenway. The Council concludes that Goal 15 does not apply to the amendments.

III. REGIONAL FRAMEWORK PLAN

Policy 1.1 – Urban Form: This policy calls for a compact urban form and affordable housing choices. New policies in the RFP adopted by Ordinance No. 06-1129B (1.3.2; 1.3.6 and 1.3.8) will increase the likelihood that affordable housing will be built in Centers and Corridors,

leading to a more compact urban form in the region. The Council concludes that the amendments are consistent with Policy 1.1.

Policy 1.2 – Built Environment: This policy seeks fair-share and equitable growth. New policies in the RFP adopted by Ordinance No. 06-1129B (1.3.1; 1.3.3; 1.3.9 and 1.3.11) will increase the likelihood that housing choices and affordable housing will be more equitably distributed around the region. The Council concludes that the amendments are consistent with Policy 1.2.

Policy 1.3 – Affordable Housing: This policy seeks opportunities for a wide range of housing opportunities. New policies in the RFP adopted by Ordinance No. 06-1129B (1.3.1; 1.3.6; 1.3.7; 1.3.9 and 1.3.10) will increase housing choice and affordable housing. The Council concludes that the amendments are consistent with Policy 1.3.

Policy 1.4 – Economic Opportunity: For the reasons set forth in the findings under Statewide Planning Goal 14, the Council concludes that Ordinance No. 06-1129B is consistent with Policy 1.4.

Policy 1.6 – Growth Management: This policy calls for efficient management of urban land, among other things. For the reasons set forth in the discussion of the application of Policy 1.1 to the amendments, the Council concludes that the amendments are consistent with Policy 1.6.

Policy 1.9 – Urban Growth Boundary: For the reasons set forth in the findings under Statewide Planning Goal 14, the Council concludes that the amendments are consistent with Policy 1.9.

Policy 1.13 – Participation of Citizens: The public involvement actions described above under Statewide Planning Goal 1 comply with Metro’s code and Policy 1.13.

Policy 2.1 - Public Involvement: The public involvement actions described above under Statewide Planning Goal 1 comply with Metro’s code and Policy 2.1

Policy 2.2 – Intergovernmental Coordination: For the reasons set forth in the findings under Statewide Planning Goal 2, the Council concludes that the amendments are consistent with Policy 2.1.

Policy 2.3 – Urban Form: For the reasons set forth in the findings under Policy 1.1, the Council concludes that the amendments are consistent with Policy 2.3.

Policy 2.4 – Consistency between Land Use and Transportation Planning: New policies in the RFP adopted by Ordinance No. 06-1129B (1.3.2; 1.3.6 and 1.3.8) will increase the likelihood that affordable housing will be built in Centers and Corridors, leading to a more compact urban form in the region. The region’s transportation system is based upon the development of a compact urban form. The Council concludes that the amendments are consistent with Policy 2.2.

Policy 2.5 – Barrier-Free Transportation: For reasons set forth in the findings under Policy 1.1, Ordinance No. 06-1129B will improve transportation choices.

Policy 2.6 – Interim Job Access and Reverse Commute Policy: For reasons set forth in the findings under Policy 1.2, Ordinance No. 06-1129B will better meet the transportation needs of the economically disadvantaged.

Policy 2.7 – Transportation Safety and Education: This policy does not apply to Ordinance No. 06-1129B.

Policy 2.8 – The Natural Environment: For the reasons set forth in the findings under Statewide Planning Goal 5, the Council concludes that the amendments are consistent with Policy 2.8.

Policy 2.9 – Water Quality: For the reasons set forth in the findings under Statewide Planning Goal 6, the Council concludes that the amendments are consistent with Policy 2.9.

Policy 2.10 – Clean Air: For the reasons set forth in the findings under Statewide Planning Goal 6, the Council concludes that the amendments are consistent with Policy 2.10.

Policy 2.11 – Energy Efficiency: For the reasons set forth in the findings under Statewide Planning Goal 13 and Policy 1.1, the Council concludes that the amendments are consistent with Policy 2.11.

Policies 2.12 through 2.43: These policies do not apply to Ordinance No. 06-1129B.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE) Ordinance No. 06-1129^A
REGIONAL FRAMEWORK PLAN TO REVISE)
METRO POLICIES ON HOUSING CHOICE)
AND AFFORDABLE HOUSING AND)
AMENDING METRO CODE SECTIONS)
3.07.710 THROUGH 3.07.760 TO IMPLEMENT) Introduced by Councilors Rex Burkholder and
THE NEW POLICIES) Robert Liberty

WHEREAS, the provision of housing choice for all families and individuals across the region is a matter of regional concern because of its impact on regional economic competitiveness, access to jobs, transportation investments, environmental quality and issues of fairness to people and among communities; and

WHEREAS, Metro established the Housing Choice Task Force (“HCTF”) to make recommendations to the Metro Council on strategies to increase the supply of affordable housing and housing choices in the region; and

WHEREAS, the HCTF submitted its Regional Housing Choice Implementation Strategy (“RHCIS”) to the Metro Council in March, 2006, with a comprehensive set of recommendations for policies and mechanisms to increase housing choice and the production and preservation of affordable housing; and

WHEREAS, the Metro Council accepted the recommendations of the HFTF contained in the RHCIS by Resolution No. 06-3677B (For the Purpose of Accepting the Regional Housing Choice Task Force Strategy Recommended by the Housing Choice Task Force Appointed by the Metro Council) on April 20, 2006; and

WHEREAS, the Metro Council, by the same Resolution No. 06-3677B, directed the Chief Operating Officer to prepare an ordinance for consideration by the Council to make appropriate amendments to the Regional Framework Plan and the Urban Growth Management Functional Plan to implement the recommendations of the RHCIS; and

WHEREAS, the Metropolitan Policy Advisory Council reviewed the proposed amendments and recommended that the Metro Council adopt the amendments; and

WHEREAS, the Metro Council held a public hearing on the proposed amendments on ~~December __, 2006~~ January 25, 2007, and considered public comments in their decision-making; now, therefore,

BE IT RESOLVED that:

1. Policy 1.3 of the Regional Framework Plan is amended as indicated in Exhibit A, attached and incorporated into this ordinance.
2. Metro Code sections 3.07.710 through 3.07.760 (Title 7 of the Urban Growth Management Functional Plan) are amended as indicated in Exhibit B, attached and incorporated into this ordinance.
3. The amendments to the Regional Framework Plan and the Urban Growth Management Functional Plan comply with the statewide planning goals as indicated in Exhibit C, the Findings of Fact and Conclusions of Law, attached and incorporated into this ordinance.

ADOPTED by the Metro Council this __ day of _____, 2007.

David Bragdon, Council President

Attest:

Approved as to form:

Christina Billington, Recording Secretary

Daniel B. Cooper, Metro Attorney

**Exhibit A to Ordinance No. 06-1129^A
Amendments to the Regional Framework Plan Policy 1.3**

1.3 ~~Housing and Affordable Housing~~ Choice

It is the policy of the Metro Council to:

1.3.1 Provide housing choices in the region, including single family, multi-family, ownership and rental housing, and housing offered by the private, public and nonprofit sectors.

~~1.3.12~~ 1.3.2 ~~As part of the effort to provide housing choices, encourage affordable housing opportunities in the region by~~ local governments to ensure that their land use regulations:

a. ~~Offering~~ Allow a diverse range of housing types, ~~available within the region, and within cities and counties inside Metro's Urban Growth Boundary.;~~

b. ~~Being~~ Make housing choices available to households of all income levels ~~that live or have a member working in each jurisdiction and subregion.;~~ and

c. ~~Providing an appropriate balance of jobs and housing of all types within subregions.~~

~~d.~~ Addressing current and future need for and supply of affordable housing production goals. Allow affordable housing, particularly in Centers and Corridors and other areas well-served with public services.

~~e.~~ Minimizing any concentration of poverty.

~~1.3.23~~ 1.3.23 ~~Include in the Urban Growth Management Functional Plan~~ Maintain voluntary affordable housing production goals for the region, to be revised over time as new information becomes available and displayed in Chapter 8 (Implementation), and encourage their adoption by the cities and counties of the region, to be adopted by local jurisdictions in the region as well as land use and non-land use affordable housing tools and strategies

1.3.4 Encourage local governments to consider the following tools and strategies to achieve the affordable housing production goals:

a. Density bonuses for affordable housing;

b. A no-net-loss affordable housing policy to be applied to quasi-judicial amendments to the comprehensive plan;

c. A voluntary inclusionary zoning policy;

d. A transferable development credits program for affordable housing;

e. Policies to accommodate the housing needs of the elderly and disabled;

f. Removal of regulatory constraints on the provision of affordable housing; and

- g. Policies to ensure that parking requirements do not discourage the provision of affordable housing.
- 1.3.35 Require local governments in the region to report progress towards increasing the supply of affordable housing and seek their assistance in periodic inventories of the supply of affordable housing.
- 1.3.46 ~~Acknowledge that there is a need to~~ Work in cooperation with local governments, state government, business groups, non-profit groups and citizens to create an affordable housing fund available region wide in order to leverage other affordable housing resources, and that, if the region is to be successful in increasing the amount of affordable housing, such a housing fund would need the support of a wide range of interests including local government, state and business groups.
- 1.3.7 Provide assistance to local governments to help them do their part in achieving regional goals for the production and preservation of housing choice and affordable housing.
- 1.3.8 Integrate Metro efforts to expand housing choices with other Metro activities, including transportation planning, land use planning and planning for parks and greenspaces.
- 1.3.9 When expanding the Urban Growth Boundary, assigning or amending 2040 Growth Concept design type designations or making other discretionary decisions, seek agreements with local governments and others to improve the balance of housing choices with particular attention to affordable housing.
- 1.3.10 Consider incentives, such as priority for planning grants and transportation funding, to local governments that obtain agreements from landowners and others to devote a portion of new residential capacity to affordable housing.
- 1.3.11 Help ensure opportunities for low-income housing types throughout the region so that families of modest means are not obliged to live concentrated in a few neighborhoods, because concentrating poverty is not desirable for the residents or the region.
- 1.3.12 For purposes of these policies, “affordable housing” means housing that families earning less than 50 percent of the median household income for the region can reasonably afford to rent and earn as much as or less than 100 percent of the median household income for the region can reasonably afford to buy. ~~without spending more than 30 percent of their after-tax income~~

Exhibit B to Ordinance No. 06-1129^A
Amendments to Metro Code Sections 3.07.720 through 3.07.760

TITLE 7: ~~AFFORDABLE~~ HOUSING CHOICE

3.07.710 Intent

The Regional Framework Plan ~~stated the need to provide affordable housing opportunities through: a) a diverse range of housing types, available within the region, and within cities and counties inside Metro's Urban Growth Boundary; b) sufficient and affordable housing opportunities available to households of all income levels that live or have a member working in each jurisdiction and subregion; c) an appropriate balance of jobs and housing of all types within subregions; d) addressing current and future need for and supply of affordable housing in the process used to determine affordable housing production goals; and e) minimizing any concentration of poverty.~~ The Regional Framework Plan directs that Metro's Urban Growth Management Functional Plan include calls for establishment of voluntary affordable housing production goals to be adopted by local jurisdictions in the region as well as land use and non-land use affordable housing tools and strategies governments and assistance from local governments on reports on. ~~The Regional Framework Plan also directs that Metro's Urban Growth Management Functional Plan include local governments' reporting progress towards increasing the supply of affordable housing.~~ It is the intent of Title 7 to implement these policies of the Regional Framework Plan.

~~Title 1 of this functional plan requires cities and counties to change their zoning to accommodate development at higher densities in locations supportive of the transportation system. Increasing allowable densities and requiring minimum densities encourage compact communities, more efficient use of land and should result in additional affordable housing opportunities. These Title 1 requirements are parts of the regional affordable housing strategy.~~

3.07.720 Voluntary Affordable Housing Production Goals

Each city and county within the Metro region should adopt the Affordable Housing Production Goal indicated in Table 3.07-7, ~~for their city or county~~ as amended over time, as a guide to measure progress toward increasing housing choices and meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.

3.07.730 Requirements for Comprehensive Plan and Implementing Ordinance Changes

A. Cities and counties within the Metro region shall ensure that their comprehensive plans and implementing ordinances:

1. Include strategies to ensure a diverse range of housing types within their jurisdictional boundaries.
2. Include in their plans actions and implementation measures designed to maintain the existing supply of affordable housing as well as increase the opportunities for new dispersed affordable housing within their boundaries.
3. Include plan policies, actions, and implementation measures aimed at increasing opportunities for households of all income levels to live within their individual jurisdictions in affordable housing.

~~B. Cities and counties within the Metro region shall consider amendment of their comprehensive plans and implementing ordinances with the following affordable housing land use tools and strategies identified below. Compliance with this subsection is achieved when the governing body of a city or county considers each tool or strategy in this subsection and either amends its comprehensive plan and implementing ordinances to adopt the tool or strategy or explains in writing why it has decided not to adopt it.~~

~~1. Density Bonus. A density bonus is an incentive to facilitate the development of affordable housing. Local jurisdictions could consider tying the amount of bonus to the targeted income group to encourage the development of affordable units to meet affordable housing production goals.~~

~~2. Replacement Housing. No Net Loss housing policies for local jurisdictional review of requested quasi-judicial Comprehensive Plan Map amendments with approval criteria that would require the replacement of existing housing that would be lost through the Plan Map amendment.~~

- ~~3. Inclusionary Housing.~~
 - ~~a. Implement voluntary inclusionary housing programs tied to the provision of incentives such as Density Bonus incentives to facilitate the development of affordable housing.~~
 - ~~b. Develop housing design requirements for housing components such as single-car garages and maximum square footage that tend to result in affordable housing.~~
 - ~~c. Consider impacts on affordable housing as a criterion for any legislative or quasi-judicial zone change.~~
- ~~4. Transfer of Development Rights.~~
 - ~~a. Implement TDR programs tailored to the specific conditions of a local jurisdiction.~~
 - ~~b. Implement TDR programs in Main Street or Town Center areas that involve upzoning.~~
- ~~5. Elderly and People with Disabilities. Examine zoning codes for conflicts in meeting locational needs of these populations.~~
- ~~6. Local Regulatory Constraints; Discrepancies in Planning and Zoning Codes; Local Permitting or Approval Process.~~
 - ~~a. Revise the permitting process (conditional use permits, etc.).~~
 - ~~b. Review development and design standards for impact on affordable housing.~~
 - ~~c. Consider using a cost/benefit analysis to determine impact of new regulations on housing production.~~
 - ~~d. Regularly review existing codes for usefulness and conflicts.~~
 - ~~e. Reduce number of land use appeal opportunities.~~

~~f. Allow fast tracking of affordable housing.~~

~~7. Parking.~~

~~a. Review parking requirements to ensure they meet the needs of residents of all types of housing.~~

~~b. Coordinate strategies with developers, transportation planners and other regional efforts so as to reduce the cost of providing parking in affordable housing developments.~~

~~3.07.740 Requirements for Inventory and Progress Reports on Housing Supply~~

~~Progress made by local jurisdictions in amending comprehensive plans and implementing ordinances and consideration of land use related affordable housing tools and strategies to meet the voluntary affordable housing production goals shall be reported according to the following schedule:~~

~~A. By January 31, 2002, cities and counties within the Metro region shall submit a brief status report to Metro as to what items they have considered and which items remain to be considered. This analysis could include identification of affordable housing land use tools currently in use as well as consideration of the land use tools in Section 3.07.730(B).~~

~~B. By December 31, 2003, each city and county within the Metro region shall provide a report to Metro on the status of its comprehensive plan and implementing ordinances explaining how each tool and strategy in subsection 3.07.730B was considered by its governing body. The report shall describe comprehensive plan and implementing ordinance amendments pending or adopted to implement each tool and strategy, or shall explain why the city or county decided not to adopt it.~~

~~C. By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community's stock of affordable~~

~~housing, including but not limited to the tools and strategies in subsection 3.07.730B.~~

~~3.07.750 Metro Assessment of Progress~~

~~A. Metro Council and MPAC shall review progress reports submitted by cities and counties and may provide comments to the jurisdictions.~~

~~B. Metro Council shall:~~

~~1. In 2003, estimate 2000 baseline affordable housing units affordable to defined income groups (less than 30 percent, 31-50 percent, 51-80 percent of the region's median family income) using 2000 U.S. Census data;~~

~~2. By December 2004, formally assess the region's progress made in 2001-2003 to achieve the affordable housing production goals in Table 3.07-7;~~

~~3. By December 2004, review and assess affordable housing tools and strategies implemented by local governments and other public and private entities;~~

~~4. By December 2004, examine federal and state legislative changes;~~

~~5. By December 2004, review the availability of a regional funding source;~~

~~6. By December 2004, update the estimate of the region's affordable housing need; and~~

~~7. By December 2004, in consultation with MPAC, create an ad hoc affordable housing task force with representatives of MPAC, MTAC, homebuilders, affordable housing providers, advocate groups, financial institutions, citizens, local governments, state government, and U.S. Housing and Urban Development Department to use the assessment reports and census data to recommend by December 2005 any studies or any changes that are warranted to the existing process, tools and strategies, funding plans or goals to ensure that significant progress is made toward providing affordable housing for those most in need.~~

A. Local governments shall assist Metro in the preparation of a biennial affordable housing inventory by fulfilling the reporting requirements in subsection 3.07.120D of Title 1 (Requirements for Housing and Employment Accommodation) and subsection B of this section.

B. Local governments shall report their progress on increasing the supply of affordable housing to Metro on a form provided by Metro, to be included as part of the biennial housing inventory described in subsection A. Local governments shall submit their first progress reports on April 15, 2007, and by April 15 every two years following that date. Local governments may report their progress as part of the capacity reports required by subsection 3.07.120D of Title 1 (Requirements for Housing and Employment Accommodation). Progress reports shall include, at least, the following information:

1. The number and types of units of affordable housing preserved and income groups served during the reporting period, as defined in Metro's form;

2. The number and types of units of affordable housing built and income groups served during the reporting period;

3. Affordable housing built and preserved in Centers and Corridors; and

4. City or county resources committed to the development of affordable housing, such as fee waivers and property tax exemptions.

~~3.07.760~~ 3.07.750 Recommendations to Implement Other Affordable Housing Strategies Technical Assistance

~~A. Local jurisdictions are encouraged to consider implementation of the following affordable housing land use tools to increase the inventory of affordable housing throughout the region. Additional information on these strategies and other land use strategies that could be considered by local jurisdictions are described in Chapter Four of the Regional Affordable Housing Strategy and its Appendixes.~~

~~1. Replacement Housing. Consider policies to prevent the loss of affordable housing through demolition in urban renewal areas by implementing a replacement housing ordinance specific to urban renewal zones.~~

~~2. Inclusionary Housing. When creating urban renewal districts that include housing, include voluntary inclusionary housing requirements where appropriate.~~

~~B. Local jurisdictions are encouraged to analyze, adopt and apply locally appropriate non land use tools, including fee waivers or funding incentives as a means to make progress toward the Affordable Housing Production Goal. Non land use tools and strategies that could be considered by local jurisdictions are described in Chapter Four of the Regional Affordable Housing Strategy and its Appendixes. Cities and Counties are also encouraged to report on the analysis, adoption and application of non land use tools at the same intervals that they are reporting on land use tools (in Section 3.07.740).~~

~~C. Local jurisdictions are also encouraged to continue their efforts to promote housing affordable to other households with incomes 50% to 80% and 80% to 120% of the regional median household income.~~

~~D. Local jurisdictions are encouraged to consider joint coordination or action to meet their combined affordable housing production goals.~~

Cities and counties are encouraged to take advantage of the programs of technical and financial assistance provided by Metro to help achieve the goal of increased production and preservation of housing choices and affordable housing and to help fulfill the monitoring and reporting requirements of this title.

Table 3.07-7
Five-Year Voluntary Affordable Housing Production Goals
 (Section 3.07.720)

Jurisdiction	2001-2006 Affordable Housing Production Goals		
	<i>Needed new housing units for households earning less than 30% of median household income</i>	<i>Needed new housing units for households earning 30-50% of median household income</i>	<i>Total</i>
Beaverton	427	229	656
Cornelius	40	10	50
Durham	6	4	10
Fairview	42	31	73
Forest Grove	55	10	65
Gladstone	43	10	53
Gresham	454	102	556
Happy Valley	29	28	57
Hillsboro	302	211	513
Johnson City	0	0	0
King City	5	0	5
Lake Oswego	185	154	339
Maywood Park	0	0	0
Milwaukie	102	0	102
Oregon City	123	35	158
Portland	1,791	0	1,791
Rivergrove	1	1	2
Sherwood	67	56	123
Tigard	216	103	319
Troutdale	75	56	131
Tualatin	120	69	189
West Linn	98	71	169
Wilsonville	100	80	180
Wood Village	16	1	17
Clackamas County, Urban, Unincorporated	729	374	1,103
Multnomah County, Urban, Unincorporated*	81	53	134
Washington County, Urban Unincorporated	1,312	940	2,252
Total	6,419	2,628	9,047

* Strategies and implementation measures addressing these housing goals are in the Progress Reports of the Cities of Portland, Gresham and Troutdale.

Exhibit C to Ordinance No. 06-1129A
Findings of Fact and Conclusions of Law

Ordinance No. 06-1129A amends Metro's Regional Framework Plan (RFP) and Title 7 (Affordable Housing) of the Urban Growth Management Functional Plan (UGMFP) in order to enhance local and regional efforts to provide housing choices and affordable housing to people of the region. The practical effects of these changes are as follows:

- By elevating the voluntary affordable housing production goals from Title 7 to Regional Framework Plan policies, Metro makes the production goals the guide for all regional efforts to provide affordable housing, not just the efforts of cities and counties under Title 7.
- By moving specified strategies and tools recommended by Metro to cities and counties from Title 7 to the Regional Framework Plan, Metro makes the strategies and tools the focus of its efforts to assist cities and counties.
- New policy moves the region from a recognition that it needs to a regional fund for affordable housing fund to a commitment to create such a fund.
- New policy commits Metro to seek agreements with cities, counties and private and public providers of affordable housing - when expanding the UGB and changing 2040 Growth Concept design-type designations - to devote a portion of new residential capacity to affordable housing.
- Clarifies city and county affordable housing reporting requirements in Title 7 by linking them to the reporting requirements in Title 1 (Requirements for Housing and Employment Accommodation).

These amendments to the Regional Framework Plan and Title 7 are a culmination of long efforts by affordable housing leaders in the region, as members of Metro's Housing Choice Task Force, to enhance the work of the region to provide housing choices and affordable housing. These efforts, and the reflection of them in this ordinance, continue the region's understanding that concerted, voluntary efforts by all sectors, public, private and non-profit, to provide affordable housing remain the best way to accomplish the region's affordable housing goals. The amendments to the RFP and Title 7 are consistent with state and regional planning goals, as explained below.

I. STATEWIDE PLANNING GOALS

Statewide Planning Goal 1 – Citizen Involvement: Metro provided notice of the proposed amendments to stakeholders and the general public by following the notification requirements in its acknowledged code. Metro provided notice to the Oregon Department of Land Conservation and Development Commission as provided in ORS 197.610 and OAR 660-018-0020. Metro sought and received comment from its Metropolitan Policy Advisory Committee (MPAC), which sought the advice of its Metropolitan Technical Advisory Committee (MTAC), both of which recommended approval of the amendments. The Metro Council held a public hearing on the proposed ordinance on January 25, 2007. The Council concludes that these activities conform to Metro's code and policies on citizen involvement and comply with Goal 1.

Statewide Planning Goal 2 – Land Use Planning: Metro sought and received comment from the local governments that comprise the metropolitan region and from the general public. The Metro Charter establishes MPAC, composed principally of representatives of local governments in the region, and requires the Metro Council to seek its advice on amendments to the Regional Framework Plan and its components, such as the UGMFP. MPAC reviewed the ordinance and recommended revisions to the draft, which the Metro Council adopted. The Council concludes that the ordinance complies with Goal 2.

Statewide Planning Goal 3 – Agricultural Lands: Ordinance No. 06-1129A does not apply to land outside the UGB. Goal 3 does not apply to the ordinance.

Statewide Planning Goal 4 – Forest Lands: Ordinance No. 06-1129A does not apply to land outside the UGB. Goal 4 does not apply to the ordinance.

Statewide Planning Goal 5 – Natural Resources, Scenic and Historic Areas, and Open Spaces: Ordinance No. 06-1129A does not revise acknowledged land use regulations that protect Goal 5 resources. The amendments made by the ordinance do not change the boundaries on any regulatory map that applies to resources protected by Goal 5. The Council concludes that the ordinance is consistent with Goal 5.

Statewide Planning Goal 6 – Air, Land and Water Resources Quality: Ordinance No. 06-1129A does not affect resources protected by Goal 6 or revise land use regulations that protect those resources. The Council concludes that the amendments are consistent with Goal 6.

Statewide Planning Goal 7 – Areas Subject to Natural Disasters and Hazards: Ordinance No. 06-1129A does not affect areas subject to natural disasters and hazards or revise land use regulations that protect those resources. The Council concludes that the amendments are consistent with Goal 7.

Statewide Planning Goal 8 – Recreational Needs: Ordinance No. 06-1129A does not affect resources protected by Goal 8 or revise land use regulations that provide for recreation needs. The Council concludes that the amendments comply with Goal 8.

Statewide Planning Goal 9 – Economic Development: Ordinance No. 06-1129A calls for the creation of a regional affordable housing fund. Goal 9 does not apply to Metro. Nonetheless, if such a fund is created and funded, it will result in construction of new housing units. The Council concludes that the amendments are consistent with Goal 9.

Statewide Planning Goal 10 – Housing: Goals 10 calls for an inventory of buildable lands for residential use and encouragement for the availability of adequate numbers of needed housing units at price ranges and rent levels commensurate with the financial capabilities of Oregon households. The Metropolitan Housing Rule (OAR 660 Division 007) sets housing density and housing type mix standards for the Portland metropolitan region. The rule requires cities and counties to establish specific comprehensive plan designations and clear and objective review standards for review of proposed residential development. The rule expressly charges Metro with “regional coordination”:

“(1) At each periodic review of the Metro UGB, Metro shall review the findings for the UGB. They shall determine whether the buildable land within the UGB satisfies housing needs by type and density for the region's long-range population and housing projections.

(2) Metro shall ensure that needed housing is provided for on a regional basis through coordinated comprehensive plans. “

LCDC acknowledged Title 1 (Requirements for Housing and Employment Accommodation) of Metro's Urban Growth Management Functional Plan (UGMFP), which requires each city and county to provide a specified capacity for housing and to allow accessory dwelling units in zones that authorize dwelling units, for compliance with the statewide planning goals on December 8, 2000. The Commission acknowledged amendments to Title 1 made by Ordinance No. 02-969B on December 5, 2002, for compliance with the goals on July 7, 2003.

LCDC acknowledged the policies of the Regional Framework Plan, including Policy 1.3 (Housing and Affordable Housing), on December 8, 2000. Amendments to Policy 1.3 by Ordinance No. 05-1086 on August 18, 2005, were acknowledged by operation of law on September 9, 2005.

Title 7 of the UGMFP and a series of amendments to it were acknowledged by operation of law by Ordinances 98-769 on September 10, 1998, 00-882C on January 18, 2001, and 03-1005A on June 29, 2003.

Metro fulfilled its periodic review “regional coordination” requirements under section 660-007-0050 of the Metropolitan Housing Rule (set forth above) by adoption of Ordinance No. 02-969B. LCDC acknowledged Ordinance No. 02-969B, including the Housing Needs Analysis (HNA) (Periodic Review Subtask 12b) and the 2002-2022 Urban Growth Report: A Residential Land Needs Analysis (Periodic Review Subtask 14a), on July 7, 2003. The Council incorporates its findings on Goal 10 from Ordinance No. 02-969B (Exhibit P, Section IC, page 2) here. In its order acknowledging Metro Ordinance No. 02-969B, LCDC discussed the HNA and Title 7:

“Although the HNA reflects and increase in rental households paying more than 30 percent of household income on housing in the next 20 years, Metro expects its Title 7 affordable housing programs, adopted as part of the Urban Growth Management Functional Plan (UGMFP), to offset much of the increase....Ultimately, through the combination of adequate land supply within the UGB and other measures, Metro has ‘encourage[d] the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households[.]’”

Ordinance No. 06-1129A makes no changes to the housing requirements of Title 1. It also makes no changes to the acknowledged HNA or the Urban Growth Report. The ordinance adds new sub-policies to Policy 1.3 (Housing Choice) that strengthen Metro's commitment to

affordable housing, as described in the first paragraph of these findings. The ordinance clarifies city and county reporting requirements and deletes provisions from Title 7 that were voluntary only for cities and counties of the region. Based upon the work and recommendations to Metro of the Housing Choice Task Force, the Council expects that regional housing programs under the amended Regional Framework Plan and Title 7, especially the call in Policy 1.3.6 for a regional affordable housing fund and in Policy 1.3.7 for technical assistance to local governments, will improve the region's prospects for meeting the need for affordable housing identified in the HNA. The Council concludes that Ordinance No. 06-1129A makes complies with Goal 10.

Statewide Planning Goal 11 – Public Facilities and Services: Ordinance No. 06-1129A does not affect acknowledged public facility plans or revise land use regulations affecting those plans. The Council concludes that the amendments are consistent with Goal 11.

Statewide Planning Goal 12 – Transportation: Ordinance No. 06-1129A does not directly affect transportation or revise the acknowledged Regional Transportation Plan or acknowledged city or county transportation system plans. Nor does it require changes to those plans. The Council concludes that the amendments are consistent with Goal 12.

Statewide Planning Goal 13 – Energy Conservation: Ordinance No. 06-1129A does not affect resources protected by Goal 13 or revise land use regulations that protect those resources. The Council concludes that the amendments are consistent with Goal 13.

Statewide Planning Goal 14 – Urbanization: Ordinance No. 06-1129A does not amend or involve the UGB. Nor does the ordinance affect urbanizable land or revise Metro regulations to protect the urban potential of urbanizable land. Goal 14 governs the establishment and change of UGBs. For these reasons, the Council concludes that the amendments are consistent with Goal 14.

Statewide Planning Goal 15 – Willamette River Greenway: Ordinance No. 06-1129A does not affect the Willamette River Greenway. The Council concludes that Goal 15 does not apply to the amendments.

III. REGIONAL FRAMEWORK PLAN

Policy 1.1 – Urban Form: This policy calls for a compact urban form and affordable housing choices. New policies in the RFP adopted by Ordinance No. 06-1129A (1.3.2; 1.3.6 and 1.3.8) will increase the likelihood that affordable housing will be built in Centers and Corridors, leading to a more compact urban form in the region. The Council concludes that the amendments are consistent with Policy 1.1.

Policy 1.2 – Built Environment: This policy seeks fair-share and equitable growth. New policies in the RFP adopted by Ordinance No. 06-1129A (1.3.1; 1.3.3; 1.3.9 and 1.3.11) will increase the likelihood that housing choices and affordable housing will be more equitably distributed around the region. The Council concludes that the amendments are consistent with Policy 1.2.

Policy 1.3 – Affordable Housing: This policy seeks opportunities for a wide range of housing opportunities. New policies in the RFP adopted by Ordinance No. 06-1129A (1.3.1; 1.3.6; 1.3.7; 1.3.9 and 1.3.10) will increase housing choice and affordable housing. The Council concludes that the amendments are consistent with Policy 1.3.

Policy 1.4 – Economic Opportunity: For the reasons set forth in the findings under Statewide Planning Goal 14, the Council concludes that Ordinance No. 06-1129A is consistent with Policy 1.4.

Policy 1.6 – Growth Management: This policy calls for efficient management of urban land, among other things. For the reasons set forth in the discussion of the application of Policy 1.1 to the amendments, the Council concludes that the amendments are consistent with Policy 1.6.

Policy 1.9 – Urban Growth Boundary: For the reasons set forth in the findings under Statewide Planning Goal 14, the Council concludes that the amendments are consistent with Policy 1.9.

Policy 1.13 – Participation of Citizens: The public involvement actions described above under Statewide Planning Goal 1 comply with Metro’s code and Policy 1.13.

Policy 2.1 - Public Involvement: The public involvement actions described above under Statewide Planning Goal 1 comply with Metro’s code and Policy 2.1

Policy 2.2 – Intergovernmental Coordination: For the reasons set forth in the findings under Statewide Planning Goal 2, the Council concludes that the amendments are consistent with Policy 2.1.

Policy 2.3 – Urban Form: For the reasons set forth in the findings under Policy 1.1, the Council concludes that the amendments are consistent with Policy 2.3.

Policy 2.4 – Consistency between Land Use and Transportation Planning: New policies in the RFP adopted by Ordinance No. 06-1129A (1.3.2; 1.3.6 and 1.3.8) will increase the likelihood that affordable housing will be built in Centers and Corridors, leading to a more compact urban form in the region. The region’s transportation system is based upon the development of a compact urban form. The Council concludes that the amendments are consistent with Policy 2.2.

Policy 2.5 – Barrier-Free Transportation: For reasons set forth in the findings under Policy 1.1, Ordinance No. 06-1129A will improve transportation choices.

Policy 2.6 – Interim Job Access and Reverse Commute Policy: For reasons set forth in the findings under Policy 1.2, Ordinance No. 06-1129A will better meet the transportation needs of the economically disadvantaged.

Policy 2.7 – Transportation Safety and Education: This policy does not apply to Ordinance No. 06-1129A.

Policy 2.8 – The Natural Environment: For the reasons set forth in the findings under Statewide Planning Goal 5, the Council concludes that the amendments are consistent with Policy 2.8.

Policy 2.9 – Water Quality: For the reasons set forth in the findings under Statewide Planning Goal 6, the Council concludes that the amendments are consistent with Policy 2.9.

Policy 2.10 – Clean Air: For the reasons set forth in the findings under Statewide Planning Goal 6, the Council concludes that the amendments are consistent with Policy 2.10.

Policy 2.11 – Energy Efficiency: For the reasons set forth in the findings under Statewide Planning Goal 13 and Policy 1.1, the Council concludes that the amendments are consistent with Policy 2.11.

Policies 2.12 through 2.43: These policies do not apply to Ordinance No. 06-1129A.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE) Ordinance No. 06-1129
REGIONAL FRAMEWORK PLAN TO REVISE)
METRO POLICIES ON HOUSING CHOICE)
AND AFFORDABLE HOUSING AND)
AMENDING METRO CODE SECTIONS)
3.07.710 THROUGH 3.07.760 TO IMPLEMENT) Introduced by Councilors Rex Burkholder and
THE NEW POLICIES) Robert Liberty

WHEREAS, the provision of housing choice for all families and individuals across the region is a matter of regional concern because of its impact on regional economic competitiveness, access to jobs, transportation investments, environmental quality and issues of fairness to people and among communities; and

WHEREAS, Metro established the Housing Choice Task Force (“HCTF”) to make recommendations to the Metro Council on strategies to increase the supply of affordable housing and housing choices in the region; and

WHEREAS, the HCTF submitted its Regional Housing Choice Implementation Strategy (“RHCIS”) to the Metro Council in March, 2006, with a comprehensive set of recommendations for policies and mechanisms to increase housing choice and the production and preservation of affordable housing; and

WHEREAS, the Metro Council accepted the recommendations of the HFTF contained in the RHCIS by Resolution No. 06-3677B (For the Purpose of Accepting the Regional Housing Choice Task Force Strategy Recommended by the Housing Choice Task Force Appointed by the Metro Council) on April 20, 2006; and

WHEREAS, the Metro Council, by the same Resolution No. 06-3677B, directed the Chief Operating Officer to prepare an ordinance for consideration by the Council to make appropriate amendments to the Regional Framework Plan and the Urban Growth Management Functional Plan to implement the recommendations of the RHCIS; and

WHEREAS, the Metropolitan Policy Advisory Council reviewed the proposed amendments and recommended that the Metro Council adopt the amendments; and

WHEREAS, the Metro Council held a public hearing on the proposed amendments on December __, 2006, and considered public comments in their decision-making; now, therefore,

BE IT RESOLVED that:

1. Policy 1.3 of the Regional Framework Plan is amended as indicated in Exhibit A, attached and incorporated into this ordinance.
2. Metro Code sections 3.07.710 through 3.07.760 (Title 7 of the Urban Growth Management Functional Plan) are amended as indicated in Exhibit B, attached and incorporated into this ordinance.
3. The amendments to the Regional Framework Plan and the Urban Growth Management Functional Plan comply with the statewide planning goals as indicated in Exhibit C, the Findings of Fact and Conclusions of Law, attached and incorporated into this ordinance.

ADOPTED by the Metro Council this __ day of _____, 2007.

David Bragdon, Council President

Attest:

Approved as to form:

Christina Billington, Recording Secretary

Daniel B. Cooper, Metro Attorney

Exhibit A to Ordinance No. 06-1129
Amendments to the Regional Framework Plan Policy 1.3

1.3 Housing Choice

It is the policy of the Metro Council to:

- 1.3.1 Encourage local governments to ensure that their land use regulations:
 - a. Allow a diverse range of housing types;
 - b. Make housing choices available to households of all income levels; and
 - c. Allow affordable housing, particularly in Centers and Corridors and other areas well-served with public services.
- 1.3.2 Establish voluntary affordable housing production goals to be adopted by local governments in their efforts to make housing more affordable.
- 1.3.3 Require local governments in the region to report progress towards increasing the supply of affordable housing and seek their assistance in periodic inventories of the supply of affordable housing.
- 1.3.4 Work in cooperation with local governments, state government, business groups and citizens to create a housing fund available region wide in order to leverage other affordable housing resources.
- 1.3.5 Provide assistance to local governments to help them do their part in achieving regional goals for the production and preservation of housing choice and affordable housing.
- 1.3.6 Integrate Metro efforts to expand housing choices with other Metro activities, including transportation planning, land use planning and planning for parks and greenspaces.
- 1.3.7 When expanding the Urban Growth Boundary, assigning or amending 2040 Growth Concept design type designations or making other discretionary decisions, seek opportunities for agreements with local governments and others to devote a portion of new residential capacity to affordable housing.
- 1.3.8 Consider incentives, such as priority for planning grants and transportation funding, to local governments that obtain agreements from landowners and others to devote a portion of new residential capacity to affordable housing.
- 1.3.9 Help ensure opportunities for lower cost housing types throughout the region so that families of modest means are not obliged to live concentrated in a few neighborhoods, because concentrating poverty is not desirable for the residents or the region.
- 1.3.10 For purposes of these policies, “affordable housing” means housing that families earning less than the median income for the region can reasonably afford without spending more than 30 percent of their after-tax income. It includes single-family, multi-family, ownership and rental housing as well as private, public, non-profit and subsidized housing.

**Exhibit A to Ordinance No. 06-1129
Amendments to the Regional Framework Plan Policy 1.3**

1.3 Housing ~~and Affordable Housing~~ Choice

It is the policy of the Metro Council to:

- 1.3.1 Encourage ~~affordable housing opportunities in the region by~~ local governments to ensure that their land use regulations:
- a. ~~Offering~~ Allow a diverse range of housing types, ~~available within the region, and within cities and counties inside Metro's Urban Growth Boundary.;~~
 - b. ~~Being~~ Make housing choices available to households of all income levels ~~that live or have a member working in each jurisdiction and subregion.;~~ and
 - c. ~~Providing an appropriate balance of jobs and housing of all types within subregions.~~
 - ~~d. Addressing current and future need for and supply of affordable housing production goals. Allow affordable housing, particularly in Centers and Corridors and other areas well-served with public services.~~
 - ~~e. Minimizing any concentration of poverty.~~
- 1.3.2 ~~Include in the Urban Growth Management Functional Plan~~ Establish voluntary affordable housing production goals to be adopted by local ~~jurisdictions~~ governments ~~in the region as well as land use and non-land use affordable housing tools and strategies~~ their efforts to make housing more affordable.
- 1.3.3 Require local governments in the region to report progress towards increasing the supply of affordable housing ~~and seek their assistance in periodic inventories of the supply of affordable housing.~~
- 1.3.4 ~~Acknowledge that there is a need to~~ Work in cooperation with local governments, state government, business groups and citizens ~~to create a housing fund available region wide in order to leverage other affordable housing resources., and that, if the region is to be successful in increasing the amount of affordable housing, such a housing fund would need the support of a wide range of interests including local government, state and business groups.~~
- 1.3.5 Provide assistance to local governments to help them do their part in achieving regional goals for the production and preservation of housing choice and affordable housing.
- 1.3.6 Integrate Metro efforts to expand housing choices with other Metro activities, including transportation planning, land use planning and planning for parks and greenspaces.
- 1.3.7 When expanding the Urban Growth Boundary, assigning or amending 2040 Growth Concept design type designations or making other discretionary decisions, seek opportunities for agreements with local governments and others to devote a portion of new residential capacity to affordable housing.

- 1.3.8 Consider incentives, such as priority for planning grants and transportation funding, to local governments that obtain agreements from landowners and others to devote a portion of new residential capacity to affordable housing.
- 1.3.9 Help ensure opportunities for lower cost housing types throughout the region so that families of modest means are not obliged to live concentrated in a few neighborhoods, because concentrating poverty is not desirable for the residents or the region.
- 1.3.10 For purposes of these policies, “affordable housing” means housing that families earning less than the median income for the region can reasonably afford without spending more than 30 percent of their after-tax income. It includes single-family, multi-family, ownership and rental housing as well as private, public, non-profit and subsidized housing.

Exhibit B to Ordinance No. 06-1129
Amendments to Metro Code Sections 3.07.720 through 3.07.760

TITLE 7: HOUSING CHOICE

3.07.710 Intent

The Regional Framework Plan calls for establishment of voluntary affordable housing production goals to be adopted by local governments and assistance from local governments on reports on progress towards increasing the supply of affordable housing. It is the intent of Title 7 to implement these policies of the Regional Framework Plan.

3.07.720 Voluntary Affordable Housing Production Goals

Each city and county within the Metro region should adopt the Affordable Housing Production Goal indicated in Table 3.07-7, as amended over time, as a guide to measure progress toward increasing housing choices and meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.

3.07.730 Inventory and Progress Reports on Housing Supply

- A. Local governments shall assist Metro in the preparation of a biennial affordable housing inventory by fulfilling the reporting requirements in subsection 3.07.120D of Title 1 (Requirements for Housing and Employment Accommodation) and subsection B of this section.
- B. Local governments shall report their progress on increasing the supply of affordable housing to Metro on a form provided by Metro, to be included as part of the biennial housing inventory described in subsection A. Local governments shall submit their first progress reports on April 15, 2007, and by April 15 every two years following that date. Local governments may report their progress as part of the capacity reports required by subsection 3.07.120D of Title 1 (Requirements for Housing and Employment Accommodation). Progress reports shall include, at least, the following information:
 - 1. The number and types of units of affordable housing preserved and income groups served during the reporting period, as defined in Metro's form;

2. The number and types of units of affordable housing built and income groups served during the reporting period;
3. Affordable housing built and preserved in Centers and Corridors; and
4. City or county resources committed to the development of affordable housing, such as fee waivers and property tax exemptions.

3.07.740 Technical Assistance

Cities and counties are encouraged to take advantage of the programs of technical and financial assistance provided by Metro to help achieve the goal of increased production and preservation of housing choices and affordable housing.

Table 3.07-7
Five-Year Voluntary Affordable Housing Production Goals
 (Section 3.07.720)

Jurisdiction	2001-2006 Affordable Housing Production Goals		
	<i>Needed new housing units for households earning less than 30% of median household income</i>	<i>Needed new housing units for households earning 30-50% of median household income</i>	<i>Total</i>
Beaverton	427	229	656
Cornelius	40	10	50
Durham	6	4	10
Fairview	42	31	73
Forest Grove	55	10	65
Gladstone	43	10	53
Gresham	454	102	556
Happy Valley	29	28	57
Hillsboro	302	211	513
Johnson City	0	0	0
King City	5	0	5
Lake Oswego	185	154	339
Maywood Park	0	0	0
Milwaukie	102	0	102
Oregon City	123	35	158
Portland	1,791	0	1,791
Rivergrove	1	1	2
Sherwood	67	56	123
Tigard	216	103	319
Troutdale	75	56	131
Tualatin	120	69	189
West Linn	98	71	169
Wilsonville	100	80	180
Wood Village	16	1	17
Clackamas County, Urban, Unincorporated	729	374	1,103
Multnomah County, Urban, Unincorporated*	81	53	134
Washington County, Urban Unincorporated	1,312	940	2,252
Total	6,419	2,628	9,047

* Strategies and implementation measures addressing these housing goals are in the Progress Reports of the Cities of Portland, Gresham and Troutdale.

Exhibit B to Ordinance No. 06-1129
Amendments to Metro Code Sections 3.07.720 through 3.07.760

TITLE 7: ~~AFFORDABLE~~ HOUSING CHOICE

3.07.710 Intent

The Regional Framework Plan ~~stated the need to provide affordable housing opportunities through: a) a diverse range of housing types, available within the region, and within cities and counties inside Metro's Urban Growth Boundary; b) sufficient and affordable housing opportunities available to households of all income levels that live or have a member working in each jurisdiction and subregion; c) an appropriate balance of jobs and housing of all types within subregions; d) addressing current and future need for and supply of affordable housing in the process used to determine affordable housing production goals; and e) minimizing any concentration of poverty.~~ The Regional Framework Plan directs that Metro's Urban Growth Management Functional Plan include calls for establishment of voluntary affordable housing production goals to be adopted by local jurisdictions in the region as well as land use and non-land use affordable housing tools and strategies governments and assistance from local governments on reports on. The Regional Framework Plan also directs that Metro's Urban Growth Management Functional Plan include local governments' reporting progress towards increasing the supply of affordable housing. It is the intent of Title 7 to implement these policies of the Regional Framework Plan.

~~Title 1 of this functional plan requires cities and counties to change their zoning to accommodate development at higher densities in locations supportive of the transportation system. Increasing allowable densities and requiring minimum densities encourage compact communities, more efficient use of land and should result in additional affordable housing opportunities. These Title 1 requirements are parts of the regional affordable housing strategy.~~

3.07.720 Voluntary Affordable Housing Production Goals

Each city and county within the Metro region should adopt the Affordable Housing Production Goal indicated in Table 3.07-7, ~~for their city or county~~ as amended over time, as a guide to measure progress toward **increasing housing choices** and meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.

3.07.730 Requirements for Comprehensive Plan and Implementing Ordinance Changes

~~A. Cities and counties within the Metro region shall ensure that their comprehensive plans and implementing ordinances:~~

- ~~1. Include strategies to ensure a diverse range of housing types within their jurisdictional boundaries.~~
- ~~2. Include in their plans actions and implementation measures designed to maintain the existing supply of affordable housing as well as increase the opportunities for new dispersed affordable housing within their boundaries.~~
- ~~3. Include plan policies, actions, and implementation measures aimed at increasing opportunities for households of all income levels to live within their individual jurisdictions in affordable housing.~~

~~B. Cities and counties within the Metro region shall consider amendment of their comprehensive plans and implementing ordinances with the following affordable housing land use tools and strategies identified below. Compliance with this subsection is achieved when the governing body of a city or county considers each tool or strategy in this subsection and either amends its comprehensive plan and implementing ordinances to adopt the tool or strategy or explains in writing why it has decided not to adopt it.~~

- ~~1. Density Bonus. A density bonus is an incentive to facilitate the development of affordable housing. Local jurisdictions could consider tying the amount of bonus to the targeted income group to encourage the development of affordable units to meet affordable housing production goals.~~
- ~~2. Replacement Housing. No Net Loss housing policies for local jurisdictional review of requested quasi-judicial Comprehensive Plan Map amendments with approval criteria that would require the replacement of existing housing that would be lost through the Plan Map amendment.~~

~~3. Inclusionary Housing.~~

- ~~a. Implement voluntary inclusionary housing programs tied to the provision of incentives such as Density Bonus incentives to facilitate the development of affordable housing.~~
- ~~b. Develop housing design requirements for housing components such as single-car garages and maximum square footage that tend to result in affordable housing.~~
- ~~e. Consider impacts on affordable housing as a criterion for any legislative or quasi-judicial zone change.~~

~~4. Transfer of Development Rights.~~

- ~~a. Implement TDR programs tailored to the specific conditions of a local jurisdiction.~~
- ~~b. Implement TDR programs in Main Street or Town Center areas that involve upzoning.~~

~~5. Elderly and People with Disabilities. Examine zoning codes for conflicts in meeting locational needs of these populations.~~

~~6. Local Regulatory Constraints; Discrepancies in Planning and Zoning Codes; Local Permitting or Approval Process.~~

- ~~a. Revise the permitting process (conditional use permits, etc.).~~
- ~~b. Review development and design standards for impact on affordable housing.~~
- ~~c. Consider using a cost/benefit analysis to determine impact of new regulations on housing production.~~
- ~~d. Regularly review existing codes for usefulness and conflicts.~~
- ~~e. Reduce number of land use appeal opportunities.~~

~~f. Allow fast tracking of affordable housing.~~

~~7. Parking.~~

~~a. Review parking requirements to ensure they meet the needs of residents of all types of housing.~~

~~b. Coordinate strategies with developers, transportation planners and other regional efforts so as to reduce the cost of providing parking in affordable housing developments.~~

~~3.07.740 Requirements for Inventory and Progress Reports on Housing Supply~~

~~Progress made by local jurisdictions in amending comprehensive plans and implementing ordinances and consideration of land use related affordable housing tools and strategies to meet the voluntary affordable housing production goals shall be reported according to the following schedule:~~

~~A. By January 31, 2002, cities and counties within the Metro region shall submit a brief status report to Metro as to what items they have considered and which items remain to be considered. This analysis could include identification of affordable housing land use tools currently in use as well as consideration of the land use tools in Section 3.07.730(B).~~

~~B. By December 31, 2003, each city and county within the Metro region shall provide a report to Metro on the status of its comprehensive plan and implementing ordinances explaining how each tool and strategy in subsection 3.07.730B was considered by its governing body. The report shall describe comprehensive plan and implementing ordinance amendments pending or adopted to implement each tool and strategy, or shall explain why the city or county decided not to adopt it.~~

~~C. By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community's stock of affordable~~

~~housing, including but not limited to the tools and strategies in subsection 3.07.730B.~~

~~3.07.750 Metro Assessment of Progress~~

~~A. Metro Council and MPAC shall review progress reports submitted by cities and counties and may provide comments to the jurisdictions.~~

~~B. Metro Council shall:~~

~~1. In 2003, estimate 2000 baseline affordable housing units affordable to defined income groups (less than 30 percent, 31-50 percent, 51-80 percent of the region's median family income) using 2000 U.S. Census data;~~

~~2. By December 2004, formally assess the region's progress made in 2001-2003 to achieve the affordable housing production goals in Table 3.07-7;~~

~~3. By December 2004, review and assess affordable housing tools and strategies implemented by local governments and other public and private entities;~~

~~4. By December 2004, examine federal and state legislative changes;~~

~~5. By December 2004, review the availability of a regional funding source;~~

~~6. By December 2004, update the estimate of the region's affordable housing need; and~~

~~7. By December 2004, in consultation with MPAC, create an ad hoc affordable housing task force with representatives of MPAC, MTAC, homebuilders, affordable housing providers, advocate groups, financial institutions, citizens, local governments, state government, and U.S. Housing and Urban Development Department to use the assessment reports and census data to recommend by December 2005 any studies or any changes that are warranted to the existing process, tools and strategies, funding plans or goals to ensure that significant progress is made toward providing affordable housing for those most in need.~~

- A. Local governments shall assist Metro in the preparation of a biennial affordable housing inventory by fulfilling the reporting requirements in subsection 3.07.120D of Title 1 (Requirements for Housing and Employment Accommodation) and subsection B of this section.

- B. Local governments shall report their progress on increasing the supply of affordable housing to Metro on a form provided by Metro, to be included as part of the biennial housing inventory described in subsection A. Local governments shall submit their first progress reports on April 15, 2007, and by April 15 every two years following that date. Local governments may report their progress as part of the capacity reports required by subsection 3.07.120D of Title 1 (Requirements for Housing and Employment Accommodation). Progress reports shall include, at least, the following information:
 - 1. The number and types of units of affordable housing preserved and income groups served during the reporting period, as defined in Metro's form;
 - 2. The number and types of units of affordable housing built and income groups served during the reporting period;
 - 3. Affordable housing built and preserved in Centers and Corridors; and
 - 4. City or county resources committed to the development of affordable housing, such as fee waivers and property tax exemptions.

~~3.07.7603.07.740 Recommendations to Implement Other Affordable Housing Strategies~~
Technical Assistance

- ~~A. Local jurisdictions are encouraged to consider implementation of the following affordable housing land use tools to increase the inventory of affordable housing throughout the region. Additional information on these strategies and other land use strategies that could be considered by local jurisdictions are described in Chapter Four of the Regional Affordable Housing Strategy and its Appendixes.~~

- ~~1. Replacement Housing. Consider policies to prevent the loss of affordable housing through demolition in urban renewal areas by implementing a replacement housing ordinance specific to urban renewal zones.~~
 - ~~2. Inclusionary Housing. When creating urban renewal districts that include housing, include voluntary inclusionary housing requirements where appropriate.~~
- ~~B. Local jurisdictions are encouraged to analyze, adopt and apply locally appropriate non land use tools, including fee waivers or funding incentives as a means to make progress toward the Affordable Housing Production Goal. Non land use tools and strategies that could be considered by local jurisdictions are described in Chapter Four of the Regional Affordable Housing Strategy and its Appendixes. Cities and Counties are also encouraged to report on the analysis, adoption and application of non land use tools at the same intervals that they are reporting on land use tools (in Section 3.07.740).~~
- ~~C. Local jurisdictions are also encouraged to continue their efforts to promote housing affordable to other households with incomes 50% to 80% and 80% to 120% of the regional median household income.~~
- ~~D. Local jurisdictions are encouraged to consider joint coordination or action to meet their combined affordable housing production goals.~~
- Cities and counties are encouraged to take advantage of the programs of technical and financial assistance provided by Metro to help achieve the goal of increased production and preservation of housing choices and affordable housing.

Table 3.07-7
Five-Year Voluntary Affordable Housing Production Goals
 (Section 3.07.720)

Jurisdiction	2001-2006 Affordable Housing Production Goals		
	<i>Needed new housing units for households earning less than 30% of median household income</i>	<i>Needed new housing units for households earning 30-50% of median household income</i>	<i>Total</i>
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Forest Grove	55	10	65
Gladstone	43	10	53
Gresham	454	102	556
Happy Valley	29	28	57
Hillsboro	302	211	513
Johnson City	0	0	0
King City	5	0	5
Lake Oswego	185	154	339
Maywood Park	0	0	0
Milwaukie	102	0	102
Oregon City	123	35	158
Portland	1,791	0	1,791
Rivergrove	1	1	2
Sherwood	67	56	123
Tigard	216	103	319
Troutdale	75	56	131
Tualatin	120	69	189
West Linn	98	71	169
Wilsonville	100	80	180
Wood Village	16	1	17
Clackamas County, Urban, Unincorporated	729	374	1,103
Multnomah County, Urban, Unincorporated*	81	53	134
Washington County, Urban Unincorporated	1,312	940	2,252
Total	6,419	2,628	9,047

* Strategies and implementation measures addressing these housing goals are in the Progress Reports of the Cities of Portland, Gresham and Troutdale.

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 06-1129 FOR THE PURPOSE OF AMENDING THE REGIONAL FRAMEWORK PLAN AND FUNCTIONAL PLAN, TITLE 7 TO CLARIFY AND REVISE CITY AND COUNTY RESPONSIBILITIES

Date: [November 3, 2006](#)

Prepared by: Gerry Uba

BACKGROUND

On January 18, 2001, the Metro Council adopted Ordinance No. 00-882C, amending the affordable housing policy in the Regional Framework Plan and amending the Urban Growth Management Functional Plan Title 7, entitled "Affordable Housing." Title 7 required local governments to adopt voluntary local affordable housing production goals, amend their comprehensive plans and implementing ordinances by adopting land use tools and strategies, and submit progress reports in 2002, 2003 and 2004.

Reviews of local government's progress reports in the Annual Compliance Report for the Urban Growth Management Functional Plan by MPAC, MTAC and the Metro Council in 2004 and 2005 concluded that it was important to determine the reasons for very limited actions by local governments. On February 15, 2005, MPAC chair, Jack Hoffman and Metro Council President, David Bragdon sent a letter to local governments to assess: 1) local interest in exploring the possibility of implementing an affordable housing plan developed by local and regional housing experts to meet their share of regional affordable housing production goals; 2) housing units built in the communities and sold for \$120,000 or less; and 3) rents for apartment units that have been built or rehabilitated since 2000. The assessment revealed the following categories of barriers and interest to local governments' adoption of Title 7 strategies and tools:

- "We're already in compliance through implementation of State housing requirements"
- "One size doesn't fit all due to unique local conditions"
- "It costs too much – no funding/not enough staff"
- "Little vacant land exist or land is too expensive"
- "Political barriers due to local charter provisions that limit local actions"
- "We will welcome assistance to explore opportunities available for affordable housing development and redevelopment"

Following the requirements in Title 7 and the result of the MPAC and Metro Council assessment, the Metro Council created the Housing Choice Task Force (HCTF) on February 10, 2005 by action of Resolution No. 05-3536. The HCTF was charged to meet for one year (March 2005 to March 2006), and was charged to:

1. Offer recommendations for policies and programs to facilitate housing production in 2040 mixed-use areas and to meet the Five-Year Affordable Housing Production Goals in the Urban Growth Management Functional Plan
2. Help build support for regional housing supply solutions by working closely with those individuals and organizations that are in a position to help implement them.
3. Recommend to the Metro Council actions that they should take as part of the broader strategy for implementing regional housing supply solutions.
4. Recommend how Metro could move beyond current requirements for local government reporting on their implementation of specific land use and non-land use strategies in Functional Plan Title 7.

The goal of the Task Force was to refocus the efforts of the region's policy makers and housing providers on the task of overcoming obstacles to bolstering the region's supply of a broad range of housing, particularly in the 2040 Centers and corridors.

HCTF Report and Recommendations:

The HCTF built on the lessons learned from the 1998 Affordable Housing Technical Advisory Committee and local governments implementation of Title 7 to develop an implementation strategy for increasing the supply of housing choice, and specifically affordable housing in the locations with services, so as to reduce expenditures for low income households. In March 2006, the HCTF submitted its recommendations in the report entitled the "Regional Housing Choice Implementation Strategy" to the Metro Council. Following is the summary of the key recommendations for Metro:

- a) Integrate housing supply concerns, and specifically affordable housing, into all policy making and funding allocations
- b) Create a permanent Housing Choice Advisory Committee to advise the Metro Council
- c) Work toward development of a new, permanent regional resource
- d) Seek increased funding at the federal, state and regional levels
- e) Work to remove regulatory barriers for affordable housing supply
- f) Work to reduce the cost of developing housing, and specifically affordable housing in the 2040 centers and corridors
- g) Provide technical assistance to local governments
- h) Current policy directing local jurisdictions to adopt land use and non-land use affordable housing tools and strategies should be amended to remove the reporting requirement
- i) Current policy directing local governments to adopt the voluntary affordable housing production goals for the assessment of their progress should be retained, while focusing on results oriented reporting process.
- j) Conduct biennial housing survey for the assessment of the progress toward achieving the region's housing choices implementation strategy.
- k) Require local governments to assist Metro in a biennial housing survey.

Metro Council Action on the HCTF Recommendations:

On April 20, 2006, the Metro Council directed staff to:

1. Prepare an ordinance for appropriate amendments to the Regional Framework Plan and the Urban Growth Management Functional Plan to implement the recommendations in the Regional Housing Choice Implementation Strategy, and to establish a process for reporting by local governments on their progress in meeting affordable housing and a diversity of housing options goals and objectives;
2. Prepare a resolution for the creation of a Housing Choice Policy Advisory Committee with representatives of MPAC, MTAC, and other stakeholders.
3. Prepare a resolution for the creation of an ad hoc housing financing study committee with representatives of elected officials, housing developers, major employers, realtors, affordable housing advocates, and federal and state housing officials to assist Metro and other entities involved in providing affordable housing to develop a politically feasible mechanism for implementing the funding solutions recommended by the Housing Choice Task Force.
4. Work cooperatively with local governments in the region to provide technical assistance to preserve and develop affordable housing, including inventoring of publicly owned land that could be potential sites for establishing housing choice.

Proposed Changes in the Regional Framework Plan and Functional Plan:

Regional Framework Plan: The summary of changes is as follows:

A. Metro's policies on how it will work with local governments to implement housing choices:

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- Local governments will be encouraged to implement land use regulations (allowing diverse range of housing types and affordable housing especially in the 2040 Centers and Corridors, making housing choices available for all income levels), adopt affordable housing production goals, and assist Metro to conduct affordable housing inventory.
 - Local governments will be required to report on their progress.
- B. Metro's policies on how it will implement housing choices:
- Work with stakeholders to create a regional fund to leverage other affordable housing resources
 - Integrate housing issues and solutions with other Metro programs, including consideration of affordable housing in the prioritization of grants
 - During UGB expansion process, see opportunities to devote a portion of residential capacity to affordable housing
 - Create opportunities that will discourage concentration of poverty

Functional Plan Title 7: The summary of changes is as follows:

- A. Local governments are encouraged to adopt affordable housing production goals as a guide to measure progress
- B. Local governments are required to assist Metro to conduct affordable housing inventory
- C. Local governments are required to report on their progress, with first report due on April 15, 2007, and by April 15 every other two years
- D. Local governments are encouraged to use Metro's technical and financial assistance services

Other Metro Actions:

Metro staff is developing a "Regional Housing Choice Work Plan" and have started collaborating with local governments' staff to establish a regional housing inventory team and develop a regional affordable housing database. Local programs currently participating in the inventory are the Housing Authorities of Clackamas County, Portland, Washington County and Clark County, Washington, and the Portland Development Commission and the City of Beaverton.

ANALYSIS/INFORMATION

1. Known Opposition

Staff is not aware of any opposition to the proposed legislation

2. Legal Antecedents

Metro Regional Framework Plan established a policy to encourage local governments to ensure diversity of housing types available to households of all income level. Metro Code 3.07.710 established course of actions for affordable housing for local governments and Metro to comply.

3. Anticipated Effects

Ordinance No. 06-1129 would amend Title 7 of the Urban Growth Management Functional Plan to help focus local efforts on results oriented progress reporting and Metro technical assistance.

4. Budget Impacts

The provision and expansion of technical assistance services to local governments will require additional resources in the future.

RECOMMENDED ACTION

Staff recommends the adoption of Ordinance No. 06-1129 to encourage local governments to assist Metro to assess the region's effort to increase affordable housing supply, and take advantage of Metro's technical assistance services to increase the supply of housing choices in the centers, corridors and other areas of their jurisdictions.