

A G E N D A

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METRO

Agenda

MEETING: METRO COUNCIL/EXECUTIVE OFFICER INFORMAL MEETING
DATE: July 9, 2002
DAY: Tuesday
TIME: 2:00 PM
PLACE: Council Annex

CALL TO ORDER AND ROLL CALL

- I. UPCOMING LEGISLATION**
- II. REGIONAL AFFORDABLE HOUSING STRATEGY**
- III. METROPOLITAN TRANSPORTATION IMPROVEMENT PROGRAM**
- IV. EXECUTIVE OFFICER COMMUNICATION**
- V. COUNCILOR COMMUNICATIONS**

ADJOURN

Metro Executive Officer/Council Informal

July 9, 2002

Preliminary Report on Local Government Progress Report on Implementation of Functional Plan Title 7 – Housing and Affordable Housing

Background

Last year, on January 18, 2001, the Metro Council adopted Ordinance No. 00-882C, amending the Regional Framework Plan and Urban Growth Management Functional Plan. (Accompanying this letter is a copy of the Ordinance – Attachment 1.) The intent of this amendment was to ensure a choice of housing types and to encourage reduction of regulatory barriers to affordable housing.

Functional Plan Requirements

Implementation of the Ordinance includes local government:

1. Adoption of a voluntary Affordable Housing Production Goal. (See Table 3.07.7 in Attachment 1 for your community's goal. The goal would serve as a guide to measure each local government progress);
2. Adoption of comprehensive plan changes that ensure a diverse range of housing types, maintain the existing supply of affordable housing, increase opportunities for new affordable housing and increase opportunities for households of all income levels to live within their individual jurisdictions in affordable housing. (How these are accomplished are determined by each local government and could include the specific tools listed in item 3 below);
3. Consideration of adoption of affordable housing land use tools and strategies such as:
 - a) allowing density bonuses,
 - b) providing for replacement housing,
 - c) encouraging voluntary inclusionary zoning,
 - d) allowing for transfer of development rights,
 - e) addressing elderly/disabled housing needs,
 - f) correcting existing regulatory constraints and
 - g) reviewing surface parking requirements; and
4. Provision of an affordable housing report to Metro (see following Table).

SUMMARY OF REPORTING REQUIREMENTS	
DATE DUE	FUNCTIONAL PLAN REQUIREMENTS
January 18, 2002	All cities and counties within the Metro boundary shall submit a brief status report to Metro as to what affordable housing tools and strategies they have considered and which ones 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 3.07.730B of the Functional Plan Title 7. (Local governments may consider other efforts recommended in Section 3.07.760 of the Functional Plan Title 7)
January 20, 2003	All cities and counties within Metro Boundary shall report to Metro on the status of their Comprehensive Plans amendments (as stated in Section 3.07.730A of the Functional Plan Title 7 and in Section 3.07.810A.2 of the Functional Plan title 8), and adoption of land use-related affordable housing tools and strategies in Section 3.07.730B of the Functional Plan Title 7. (Local governments may consider other efforts recommended in Section 3.07.760 of the Functional Plan Title 7)
January 19, 2004	All cities and counties within the Metro Boundary should report to Metro on the amendments to their Comprehensive Plans (as stated in Section 3.07.730A of the Functional Plan Title 7), the outcomes of affordable housing tools implemented, and any other affordable housing developed and expected. (Local governments may consider other efforts recommended in Section 3.07.760 of the Functional Plan Title 7)

Preliminary Local Governments Progress Report Summary

Gresham

- Completed consideration of six of the seven required affordable housing land use tools in the Metro Functional Plan, and have adopted four of them (encouraging voluntary inclusionary housing, addressing elderly and people with disabilities housing needs, correcting existing regulatory constraints, reviewing surface parking requirements).
- Completed consideration of additional eight voluntary affordable housing tools.
- Reluctant to adopt the voluntary Regional Affordable Housing Production Goals due to insufficient resources (or subsidy gap).

Hillsboro

- The City asserts that affordable housing is being provided through: a) implementation of the light rail zoning in the downtown Station Community Planning Areas; b) proposed City Hall Mixed Use Development Project; c) working closely with non-profits and providing technical assistance to facilitate and streamline the approval process for affordable housing projects; d) allowing accessory dwelling units in all residential zones; e) the County assisted housing programs in the Hillsboro.
- Will be rewriting its Comprehensive Plan and Development Code. Part of this endeavor includes further analysis of the seven affordable housing land use tools that the Functional Plan required local governments to consider.

Tigard

- Discussed voluntary affordable housing quantitative goal for the city, but has not taken action to date.
- City's Comprehensive Plan includes two policies that provides opportunity for diversity of housing types, and provides clear and concise development regulations that streamline development proposals.
- Two of the seven required affordable housing land use tools have been addressed in the city Development Code (amendments to remove/revise unnecessary standards, and allowing adjustments to parking requirements for special projects including affordable housing).
- Considered other strategies such as system development charges, permit fees, property tax exemption, donation of land, land banking, rent free office space to non-profit housing provider, and preventing decline in quality of affordable housing

Tualatin

- Three of the seven required affordable housing land use tools have been addressed in the city's Development Code (transfer development rights, elderly and people with disabilities, local regulatory constraints).
- The City has adopted other means of accommodating affordable housing including the planning objectives of the Development Code, and changing planning districts to accommodate more housing units.

Wood Village

- New zoning, design and building standards that would increase diversity of housing types are being scheduled for Council hearings.
- The City asserts that it already provides low cost housing for workers in the area. Currently 36% of the 1,089 housing units in the city are manufactured homes and 30% are duplex, four-plex, condominiums and apartments.

Clackamas County

- County Comprehensive Plan contains a goal to provide a variety of housing choices to meet the needs of county residents, and several policies encouraging affordable housing such as support

for urban infill, preservation of housing, common wall units, provision of needed mobile home sites, linking housing and transportation, and mixed use developments.

- Six of the seven required affordable housing land use tools have been addressed in the County's Zoning and Development Ordinance and Comprehensive Plan (density bonus, replacement housing, transfer development right, local regulatory constraints, housing for elderly and disabled and parking standards)

Washington County

- Board of County Commissioners accepted a staff report that recommends that Metro production goal be integrated as a production *target* under the County Housing Affordability policy.
- County staff recommended that the Board direct staff to further explore six affordable housing land use tools: a) improving regulatory constraints to "fast track" affordable housing projects; b) permitting of density bonus; c) revising Planned Development provisions to develop affordable housing in return for flexible site development standards; d) periodic assessment of the feasibility of establishing an Inclusionary Housing program; e) periodic assessment of the feasibility of establishing a Transfer Development Rights program; f) up-zoning for higher density in Corridor Overlay District.
- County staff did not recommend that the Board explore any Other Affordable Housing Strategies identified in Functional Plan Title 7.
- In a separate letter to Metro (April 17, 2002), the County indicated that the County has proposed Ordinance No. 590 which would amend a portion of its Comprehensive Plan for the urban area to: a) encourage the housing industry and both public and private housing providers to build a sufficient number of new affordable housing units to meet Metro's voluntary affordable housing production goals; and b) periodically assess the feasibility of establishing a voluntary inclusionary housing program and transfer of development rights to improve the opportunities for affordable housing.

Jurisdictions that Submitted the First (2002) Report

Jurisdiction	Submitted Report
Beaverton	
Cornelius	
Durham	
Fairview	
Forest Grove	
Gladstone	
Gresham	X
Happy Valley	
Hillsboro	X
Johnson City	
King City	
Lake Oswego	
Maywood Park	
Milwaukie	
Oregon City	
Portland	
Rivergrove	
Sherwood	
Tigard	X
Troutdale	
Tualatin	X
West Linn	
Wilsonville	
Wood Village	X
Clackamas County Uninc.	X
Multnomah County Uninc.	
Washington County Uninc.	X
Total	7

Regional Affordable Housing Strategy Implementation

7/9/02

The Community Development Network's mission is to strengthen nonprofit community development organizations and to provide a collective voice for healthy, diverse communities. The Network has been involved in Metro's regional affordable housing work since 1995. Thank you for revisiting Metro's Regional Affordable Housing Strategies.

I am here to emphasize the importance of acting to implement RAHS now while those who designed it are still in office or other leadership positions, and to recommend implementation strategies.

First, however, I would like to take just a minute to talk about why the Regional Affordable Housing Strategy needs to be implemented.

While the economy roller coasters up and down, one fact remains constant—housing prices continue to defy gravity and rise at a rapid rate. The region's low-income seniors, families, disabled and other citizens need affordable housing more than ever.

A frequent question I hear is "People seem to be finding housing somehow don't they?" The answer is, "No, they don't." As Program Director of the Clackamas Community Land Trust, I saw a first hand account of what happens to families and how important it is that we provide a full continuum of housing. Ruben Vital and his wife have seven children. Ruben is a full time welder, but could neither afford the apartment they lived in nor any other apartments that would accept such a large family. The family soon

was homeless with only a van to live in, and the children were pulled out of school yet again. Thankfully, Ruben and his family were able to find a homeless shelter to take them in. Through the shelter, they were able to find transitional housing for a couple years. This helped Ruben and his family clean up their credit and save for a down payment on a home. Now, they own a community land trust home in Milwaukie. The children have now completed two years in the same school, their longest ever in one school.

There are far too many stories like this to mention but the many statistics highlighted in the RAHS give idea how many families are in trouble in the region.

The Regional Affordable Housing Strategy goal is well accepted. More than 90,000 units of housing are needed for families below 50% of median income. To give you a visual idea of the number of unit—it's roughly the number of units located in SE Portland between I 84 and Johnson Creek, and the Willamette and I 205.

The Region Can't Wait Any Longer

As you have heard today, the Regional Affordable Housing Strategy (RAHS) was developed after years of analysis, goal planning, strategizing, and considerable financial and time investments from Metro and community representatives. Dozens of citizens, local jurisdiction and government representatives, nonprofit community developers, for profit developers, realtors, low-income citizens and many others were involve in the planning phase to assure the RAHS would meet a broad range of housing, political,

and socio-economic needs. The RAHS adopted in 2000 is impressive work and Metro's leadership is to be commended.

However, the RAHS is not a result but a step in the process toward a final goal—a goal to provide and preserve a diverse range of housing throughout the region.

Metro's Affordable Housing Strategy is Clear

Metro ordinance 00-882D amended the Regional Framework Plan and the Urban Growth Management Functional plan consistent with the RAHS. Changes in the Functional Plan require cities and counties to adopt voluntary affordable housing production goals and require their comprehensive plans to be in compliance with the following regional affordable housing land use policies within 24 months of adoption of Metro Ordinance 00-882D:

- Local comprehensive plans will include strategies resulting in the development of a diverse range of housing types within their jurisdictional boundaries.
- Cities and Counties shall prescribe within 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.
- Cities and Counties shall prescribe 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.

The Functional Plan also requires Cities and counties to consider one or more of seven affordable housing land use policies/tools and to complete 12, 24 and 36 month progress reports.

The RAHS further outlined roles for both Metro and local jurisdictions. It recommended a Metro role in three areas:

- Technical assistance for local jurisdictions to enhance their implementation efforts.
- Monitor and measurement of progress made by jurisdictions and the region towards meeting affordable housing production goals.
- Staffing a housing advisory committee.

Only Metro can ensure that RAHS is Implemented.

Few local jurisdictions have completed the required 12-month progress report. Metro has fallen behind on its roles in all three areas to provide technical assistance, monitor and measure progress, and staff an advisory committee. Ultimately, Metro is responsible to fulfill all these roles and the local jurisdictions are required to meet the provisions of the Functional Plan. However, funds are limited and implementation strategies must be prioritized.

With limited funds available, Metro should prioritize funds for work that meets the following criteria:

- 1) Utilize the community of decision-makers that created the RAHS. Without these RAHS participants in place, many of the educational

processes will have to be revisited at the expense of time and money. Many decision makers from this process have moved into other positions or retired. If we wait any longer, who from these jurisdictions will lead implementation strategies?

- 2) Create an incentive for complying with RAHS. Enforcing RAHS requirements after jurisdictions are out of compliance will be too confrontational.

Technical Assistance—A Helping Hand

Technical Assistance will help local jurisdictions that are currently overwhelmed with reduced planning budgets. Third party facilitators will help local elected officials to understanding and address the Metro requirements and recommendations. City planners will receive assistance with specific language to process and incorporate into their comprehensive plans. And, Metro will receive more accurate updates about local jurisdiction affordable housing strategies.

Metro should provide a minimum of \$80,000 for direct technical assistance to local jurisdictions. A RAHS Technical Assistance Committee of former H-TAC participants should meet two to three times to flesh out job functions for the TA work and continue to meet to provide guidance. Metro staff should provide contract management. The scope of work for the TA contract should include three functions:

- 1) Work with Metro staff and RAHS Technical Assistance Committee to determine what steps are needed to bring local jurisdictions'

comprehensive plans into compliance with regional affordable housing land use policies—this is essentially spelled out in RAHS already.

- 2) Work directly with local jurisdictions on a case-by-case basis to identify two to three tools and strategies from RAHS that will work best for them, politically and practically. This may include reviewing RAHS, Functional Plan affordable housing ordinances, any local need analysis, and providing a wide menu of viable affordable housing tools and best practices to local decision-makers.
- 3) Customize information and research to help decision-makers adopt and implement the affordable housing tools and strategies that they choose as most viable. When possible peer-to-peer interaction can assist leaders in understanding how other jurisdictions like theirs have adopted preferred tools and strategies.

\$80,000 is likely insufficient to fund adequate TA for all local jurisdictions. The TA provider should prioritize efforts to local jurisdictions with the highest interest and potential impact, and the greatest need for added capacity. Additional funds should be sought by the RAHS TA Committee to supplement the TA.

Data Collection for 2000 Census Information

Updated affordable housing data is needed to supplement this technical assistance. In the RAHS, H-TAC recommends that the Benchmark Need and the Affordable Housing Production Goals be reassessed when 2000 Census data is available. This data should be collected and include an analysis of the number of residents in the region that are currently paying more than

30% of AMI for housing, the number of units needed, and estimates of future need. \$20,000 go to this data collection.

Metro's list of responsibilities to address the affordable housing crisis is great, and many of the RAHS have yet to be addressed. However, providing technical assistance and data collection is the best start in using Metro's limited capacity. The wide reaching, collaborative effort of the RAHS involved many leaders still in office or working in decision-making positions. Now, the opportunity still exists to work with these leaders to take a multi-year, collaborative planning process, and implement practical and realistic support for affordable housing infill development.

Thank you.

MTIP Refinement

Refinement Process

- Directed to refine program objectives by Council/JPACT
- Stakeholder interviews, surveys and meetings
- Metro committee presentations

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MTIP Refinement

Feedback Received

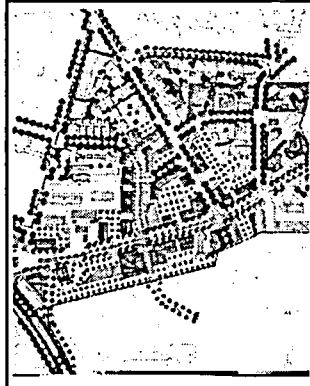


- Provide clear objectives
- Focus and leverage money
- Update technical measures
- Better public information
- Simplify process

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MTIP Refinement

Primary Policy Objective



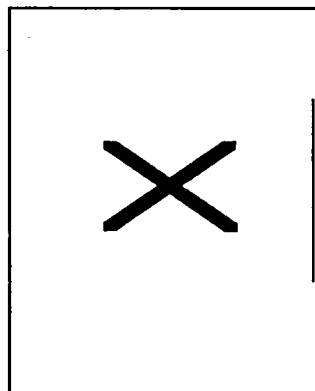
Invest in priority 2040 land-use areas:

- Centers
- Industrial areas
- UGB concept plan areas

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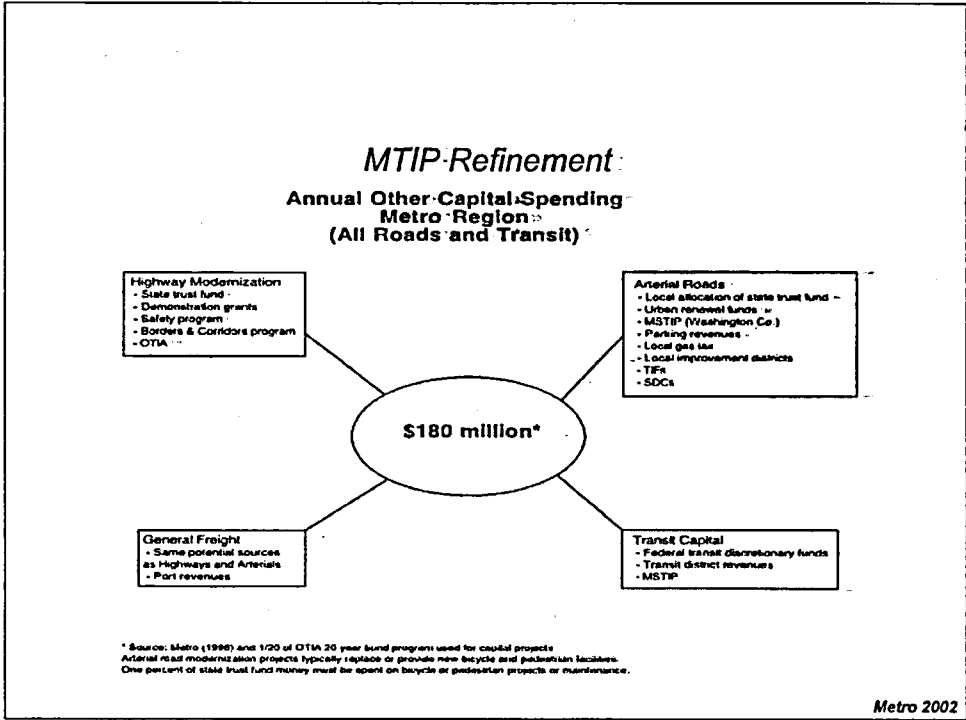
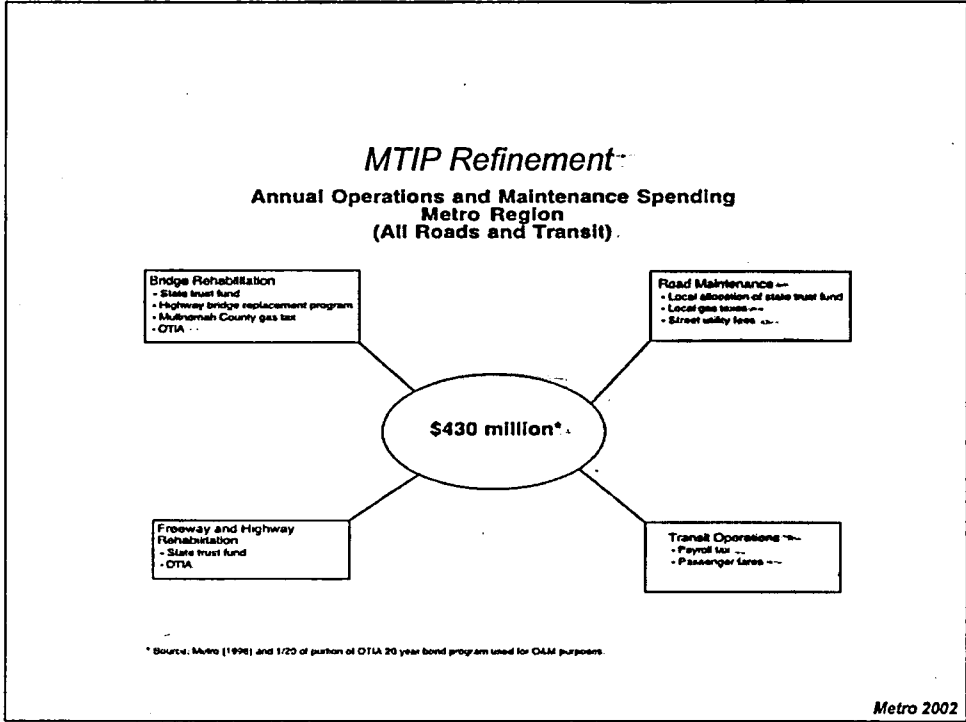
MTIP Refinement

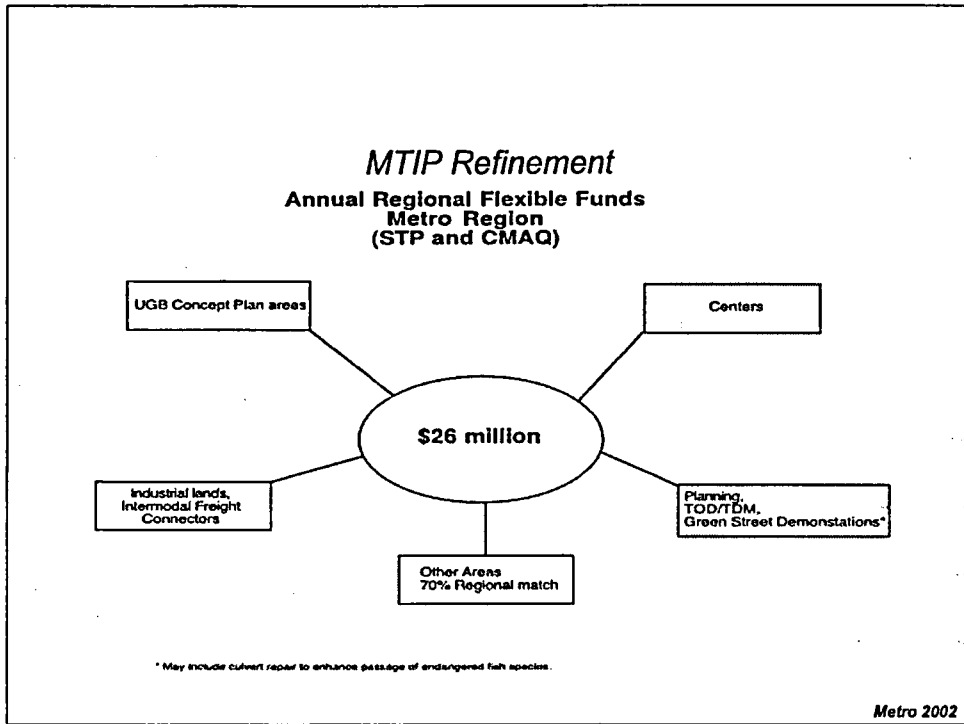
Other Policy Objectives



- Emphasize modes without dedicated revenue sources
- Complete gaps in modal systems
- Develop a multi-modal transportation system

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- MTIP Refinement**
Implementing Policy Objectives
- Projects from RTP Financially Constrained list**
 - 2040 land use criteria as 40% of technical ranking score**
 - Regional match advantage for projects serving priority land-use areas**
- Metro 2002*

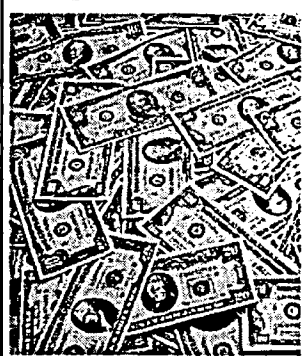
MTIP Refinement
2040 Land-use Criteria



- Remains 40% of technical ranking score
- Update to include lessons learned from Centers and industrial lands studies
- Utilize TIP Subcommittee for new technical measures

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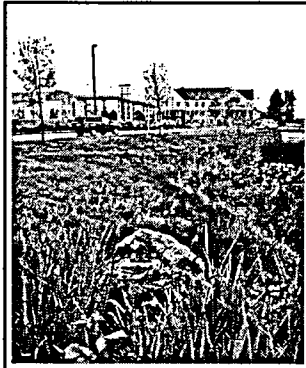
MTIP Refinement
Match Advantage for Priority Land-use Areas



- Projects that highly benefit:
- Industrial areas
 - Centers, main streets and station communities
 - UGB concept plan areas

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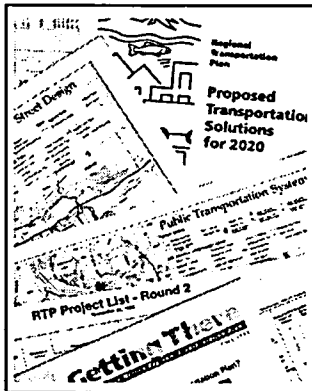
MTIP Refinement
Match Advantage for Priority Land-use Areas



- Planning**
- Transit Oriented Development**
- Transportation Demand Management**
- Green Streets Demos**

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MTIP Refinement
Other Issues



- Sub-regional application cost targets**
- Improved application process**
- Better public information**

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MTIP Refinement
Next Steps

- Update technical measures of criteria
- Develop application materials
- Develop regional match determinants for benefit to priority 2040 land uses