



METRO POLICY ADVISORY COMMITTEE
July 8, 2009
Metro Regional Center, Council Chambers

MEMBERS PRESENT

Sam Adams
Jody Carson
Nathalie Darcy
Amanda Fritz
Jack Hoffman
Dick Jones
Richard Kidd
Robert Liberty
Alice Norris
Judy Shiprack
Rick VanBeveren
Jerry Willey

AFFILIATION

City of Portland
City of West Linn, representing Clackamas Co. Other Cities
Washington Co. Citizen
City of Portland
City of Lake Oswego, representing Clackamas Co. Largest City
Clackamas Co. Special Districts
City of Forest Grove, representing Washington Co. Other Cities
Metro Council
City of Oregon City, representing Clackamas Co. 2nd Largest City
Multnomah Co. Commission
TriMet Board of Directors
City of Hillsboro, representing Washington Co. Other Cities

MEMBERS EXCUSED

Ken Allen
Shane Bemis, Vice Chair
Tom Brian, Chair
Richard Burke
Pat Campbell
Dennis Doyle
Carl Hosticka
Robert Kindel
Charlotte Lehan, Second Vice Chair
Don McCarthy
Rod Park
Wilda Parks
Michelle Poyourow
Steve Stuart
Mike Weatherby
Richard Whitman
Dilafroz Williams

AFFILIATION

Port of Portland
City of Gresham, representing the Multnomah Co. 2nd Largest City
Washington Co. Commission
Washington Co. Special Districts
City of Vancouver
City of Beaverton, representing Washington Co. 2nd Largest City
Metro Council
City of North Plains, City in Washington Co. outside UGB
Clackamas Co. Commission
Multnomah Co. Special Districts
Metro Council
Clackamas Co. Citizen
Multnomah Co. Citizen
Clark Co., Washington Commission
City of Fairview, representing Multnomah Co. Other Cities
Oregon Dept. of Land Conservation & Development
Governing Body of School Districts

ALTERNATES PRESENT

Matt Berkow
Bob Austin
Jim Kight
Keith Mays

AFFILIATION

Multnomah Co. Citizen
Clackamas Co. Commission
City of Troutdale, representing Multnomah Co. Other Cities
City of Sherwood, representing Washington Co. other Cities

STAFF: Robin McArthur, Malu Wilkinson, Andy Cotugno, Stephan Lashbrook, Dan Cooper, Kelsey Newell, Kayla Mullis.

1. CALL TO ORDER AND DECLARATION OF A QUORUM

Mayor Alice Norris declared a quorum and called the meeting to order at 5:09 p.m.

2. SELF INTRODUCTIONS AND COMMUNICATIONS

Committee members and audience members introduced themselves.

3. CITIZEN COMMUNICATIONS ON NON-AGENDA ITEMS

There were none.

4. CONSENT AGENDA

- **Consideration of MPAC Minutes for June 24, 2009**

MOTION: Mayor Jack Hoffman moved, and Councilor Jody Carson seconded, to approve the MPAC minutes for June 24, 2009.

ACTION TAKEN: With all in favor, the motion passed.

5. COUNCIL UPDATE

Councilor Robert Liberty spoke to the following topics concerning the Metro Council:

- Launch of the Intertwine Alliance;
- Scheduled Council action on the High Capacity Transit (HCT) study on July 9, 2009;
- The Transportation System Management Operations (TSMO) presentation given to Council at the July 8, 2009 Council work session; and
- Call for transportation projects for the 2011-2035 Regional Transportation Plan.

6. INFORMATION/ DISCUSSION ITEMS

6.1 Comments on June 24th Small Group Discussions

Mr. Andy Cotugno of Metro, Mayor Alice Norris of Oregon City, and Mayor Jerry Willey of Hillsboro summarized the results of the small group discussions held at the June 24, 2009 MPAC meeting.

The committee comments on the “Forecasts” small group discussion were as follows:

- Recognition that land cannot be added to the UGB at any given time and location if, for example, a company is looking for industrial land that is not available within the current UGB;

- Providing options for industries looking to come to the region, specifically eliminating difficult processes for obtaining land for industrial use;
- Understanding the consequences of adding too much land and not just focusing on having a shortage from the outset;
- Evaluating costs of both adding too much land and not adding enough land;
- Need for jurisdictions to commit to using incorporated land for the intended purpose;
- Ensuring that there is a good mix of new and existing land to work with by identifying underutilized land in the region; and
- Recognition that offering concessions to businesses often compromises local aspirations.

The committee comments on “Conditions for UGB Expansion” were as follows:

- Recognition that conditions will depend on where infrastructure dollars are spent;
- Need to ensure that barriers are not being created in attracting industry;
- Determinants for deciding where to add land include whether there is a concept plan and where funding is coming from;
- Need for concept planning during the urban reserve phase;
- Recognition that there is funding for urban reserves area planning;
- Need for more clarity and consistency in the expansion process; and
- Observation that guidelines often inhibit growth.

The committee comments on “Investments in redevelopment and infill” were as follows:

- Analyzing the private sector stance on redevelopment and refill; and
- Recognition that this is a demographic discussion as well.

6.2 2009 Preliminary Employment Urban Growth Report

Ms. Malu Wilkinson of Metro briefed the committee on the 2009 preliminary employment Urban Growth Report (UGR). When Councilor Hosticka presented the preliminary UGR to MPAC in May the committee expressed concern in meeting employment goals and the need for large parcel lots. It has been suggested that an MPAC subcommittee be created to further discuss this issue and focus on the following four possibilities for addressing it:

- Pursue land assembly and brownfield redevelopment in existing industrial areas;
- Target infrastructure investments to make land inside the UGB shovel-ready, and identify approaches to protect the public’s investment;
- Bring parcels into the UGB and severely restrict conversion; and
- Leave parcels in an Urban Reserve and create a fast-track process to bring it into the UGB when needed.

Included in the technical analysis UGR is an analysis of current employers in the region including the size and location of their space and when they came to the area. Through

analysis of supply and demand based on current inventory, the projected demand for land in three ranges of lot sizes was determined.

MTAC has been going over the technical elements of the employment analysis and their comments and suggestions will be incorporated in the September draft of the UGR. In general MTAC supports the Employment UGR with the recognition that the Portland metropolitan area capture rate it is a result of policy choices and will change over time.

MPAC will be giving the Metro Council a recommendation on the draft UGR at the end of 2009.

The committee then discussed the following topics:

- The factual content of the UGR; and
- How affordable housing fits into the UGR.

6.3 Making the Greatest Place Small Group Discussion

Ms. Robin McArthur of Metro briefed the committee on the “Employment/ Urban Growth Report” topic for small group discussion. The first discussion question is about aligning regional and local aspirations. The group should focus on both large and small lot demands so that the committee can get a sense of the risks of planning for different economic futures.

Mr. Cotugno briefed the committee on the “Equitable distribution of benefits and burdens” topic for small group discussion. The group should discuss what can be done to ensure equity and what actions can be taken to guide the future of growth around the region.

The committee broke into previously assigned small groups to discuss specific topics related to Making the Greatest Place.

6.4 Small Group Reports

Mr. Cotugno and Commissioner Amanda Fritz reported the results of the small group discussions. Please see attachment A to the minutes for a full report of these comments.

7. MPAC MEMBER COMMUNICATIONS

There were none.

8. ADJOURN

Chair Norris adjourned the meeting at 7:04 p.m.

Respectfully submitted,



Kayla Mullis
Recording Secretary

ATTACHMENTS TO THE PUBLIC RECORD FOR JULY 8, 2009

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

ITEM	DOCUMENT TYPE	DOC DATE	DOCUMENT DESCRIPTION	DOCUMENT No.
5.0	Publication	June 09'	Regional Transportation Plan: Call for Projects	070809m-01
6.2	Handout	6/16/09	MPAC Employment Subcommittee	070809m-02
6.3	Handout	7/08/09	MPAC Small group assignments for June 8, 2009	070809m-03
6.3	Map	N/A	Cost Burden Households in the Metro region- 2005	070809m-04
6.3	Map	N/A	Projected cost burden households in the Metro Region- 2030	070809m-05
6.3	Graph	N/A	Taxable property value per capita by city in the Metro region	070809m-06
6.3	Graph	N/A	Total jobs in 2005 and total projected jobs in 2030 by subarea	070809m-07
--	Letter	6/23/09	To: The Honorable Tom Brian From: John Keizur, Home Builders Association Re: MTAC Discussion and Recommendation- June 17, 2009.	070809m-08

Topic: employment urban growth report

Group questions:

- How do we balance local desires or aversions with a regional perspective to promote a strong and balanced economy? (For example, what if all jurisdictions aspire to attract solar industries, but no jurisdictions want to accommodate warehousing and distribution?)
- What are the risks of assuming that future employment trends will be the same or different, compared with today? Can the region minimize these risks by targeting industries or clusters that are expected to see high growth? Or, should there be less attention to identifying potential winners and more emphasis on ensuring the region's competitive ability to serve the increasingly diverse needs of future employers?

Background:

Cities often have specific ideas for the types of industries that they would or would not like to attract. Today, many cities see the potential for growth in high technology and clean (green) technology. Setting these goals is a worthwhile exercise and is a crucial first step towards making them a reality. However, it is difficult to predict which industries will grow in the future and where they may choose to locate. Many variables will influence these outcomes, including global factors and local and regional choices that can shape this region's place in the global economy. In addition to physical capacity to support job growth, factors that contribute to a strong regional economy include an educated workforce, above average wage levels, a diverse mix of jobs, successful economic development efforts by private- and public-sector leaders, a balanced transportation system, infrastructure investments and a vibrant quality of life.

Group decision:

How do we balance local desires or aversions with a regional perspective to promote a strong and balanced economy?

- State and understand other jurisdictions desires and aversions;
- All jurisdictions should think regionally to play into regional synergy and balance;
- Let the market drive decisions- Metro cannot micromanage;
- Recognize that transportation decisions affect employment development decisions;
- Target regional money to regional infrastructure need that support employment (and also regional designations, like Town Centers).

What are the risks of assuming that future employment trends will be the same or different, compared with today?

- Incorrect zoning driving the market;
- Too much land that with the inability to provide services;
 - Too much land that is appropriately zoned but has no development;
- Recognize that land banking may happen and not penalize companies as long as subdividing doesn't take place.

Group's reasoning for decision:

- Would like to look at what we have done wrong so far to determine why there is imbalance between jobs and housings in some jurisdictions.

MPAC Reaction:

Topic: equitable distributions of benefits and burdens

Group question:

- Are local elected officials willing to address inequity in the distribution of cost-burdened households? Can public investments minimize the impact?
- In order to help ensure housing affordability throughout the region, are cities and counties willing to make coordinated investments in housing and transportation in centers and corridors?
- What are some ways that policies could be tailored so that they encourage the market to provide more housing choices such as accessory dwellings, cottage housing, and high-quality manufactured housing?

Background:

Modeled scenarios indicate that if current policies and investments are continued, the number of cost-burdened¹ households in the region may more than double from 95,500 in the year 2005 to 198,400 in the year 2030. This would mean that the percentage of households that are cost-burdened could increase from 17 percent in 2005 to between 18 to 23 percent in 2030. The regional distribution of these cost-burdened households is likely to be uneven with concentrations in some cities and few in other cities. Many of these cost burdened households will be seniors on fixed incomes and the working class, some of which will have school-aged children. There appears to be sufficient zoned capacity inside the UGB. Likely causes of cost increases include:

Inadequate funding for infrastructure: this constrains housing capacity, which in turn makes it unaffordable for some households.

High market demand in urban centers and transportation corridors: this increases the value of land and the per-square-foot cost of housing. Multi-story development often requires more expensive construction materials and structured parking. Without public investments or choices of smaller residences, these higher costs get passed on to residents.

Insufficient transportation cost savings: transportation cost savings offset housing price increases, but our current investments are not enough to guarantee affordability.

Group decision:

Are local elected officials willing to address inequity in the distribution of cost-burdened households? Can public investments minimize the impact?

- There was a strong willingness to acknowledge the need for public bodies to take action to reduce the distribution of burdens and increase the distribution of benefits of growth.

In order to help ensure housing affordability throughout the region, are cities and counties willing to make coordinated investments in housing and transportation in centers and corridors?

- Tax-base sharing on a county basis was recommended at a vehicle for providing these jurisdictions with the resources to meet these burdens. The argument in support is that low cost labor is being provided to jurisdictions that enjoy the benefits of a growing tax base without the burden of low income households.
- Transit was called on as a way to reduce cost burdens. Both increased use of land around existing high quality transit and extending high quality transit to cost burdened areas are tactics that should be pursued. It was recommended that LRT extensions should be rated based upon the ability to increase affordable housing around stations, not just increased general housing density. It was also recognized that a small amount of land in public ownership provides substantial leverage on the whole station area.

¹ Cost-burdened households are defined as renters who spend more than half of their income on housing and transportation.

Attachment A to the July 8, 2009 MPAC Minutes

What are some ways that policies could be tailored so that they encourage the market to provide more housing choices such as accessory dwellings, cottage housing, and high-quality manufactured housing?

- The use of inclusionary zoning should be revisited.
- Use of a variety of tools to reduce housing cost was advocated, including development agreements, zoning to permit flag lots, zero lot lines, granny flats, changes in building codes, etc.

Group's reasoning for decision:

- There was a recognition that many inner-city Portland neighborhoods are gentrifying and pushing lower income households out into the suburbs.
- There was a recognition that cities that have a high proportion of cost burdened households and a low tax base are taking responsibility for the burdens but not realizing the benefits to meet these burdens.
- Care should be given to not create new concentrations of low income housing.

MPAC Reaction: