

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING TITLE 7 OF ) Ordinance No. 03-1005A  
THE URBAN GROWTH MANAGEMENT )  
FUNCTIONAL PLAN TO CLARIFY AND REVISE ) Introduced by Councilor Rex Burkholder  
CITY AND COUNTY RESPONSIBILITIES )

WHEREAS, Title 7 of the Urban Growth Management Functional Plan (“UGMFP”), section 3.07.740, requires cities and counties in the region to report to the Metro Council and the Metropolitan Policy Advisory Committee (“MPAC”) on their progress toward incorporation of affordable housing tools and strategies into their comprehensive plans and implementing ordinances; and

WHEREAS, the Executive Officer, pursuant to Title 8 of the UGMFP, section 3.07.880A, reported to the Council on December 2, 2002, that many cities and counties did not submit reports on their progress to the Council or MPAC as required by Title 7; and

WHEREAS, upon receiving the report from the Executive Officer, the Council consulted MPAC about the noncompliance with the reporting requirements of Title 7 and learned that some cities and counties did not understand the nature of the requirement in subsection 3.07.730B that they “consider” amendment of their plans and ordinances to incorporate affordable housing tools and strategies; and

WHEREAS, the Council believes clarification of the requirement in subsection 3.07.730B and extension of reporting timelines in section 3.07.740 will improve compliance with both requirements and ultimately lead to better affordable housing tools and strategies in the region; and

WHEREAS, Metro’s assessment of the region’s progress toward achieving the affordable housing production goals in Table 3.07-7 will necessitate local governments’ assistance in the compilation of subsidized units produced in 2001 and 2002; and

WHEREAS, Metro’s assessment of the region’s progress will also be based on local governments’ three reports explaining the outcomes of affordable housing tools and strategies implemented; and

WHEREAS, local governments will need more time to assist Metro to compile subsidized units produced and to complete their reports explaining the outcomes of affordable housing tools and strategies implemented. Extension of reporting timelines in sections 3.07.740 and 3.07.750 is necessary to accommodate local governments’ assistance in the compilation of subsidized units and submission of annual reports and Metro’s assessment of the region’s progress; and

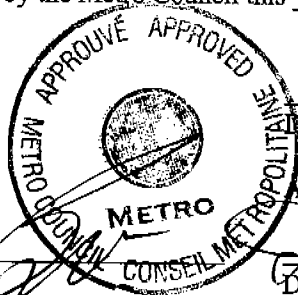
WHEREAS, some local governments submitted reports that complied with Title 7, as amended by this ordinance, by the deadline specified in section 3.07.740B of Title 7 and should not have to submit new reports under that subsection; and

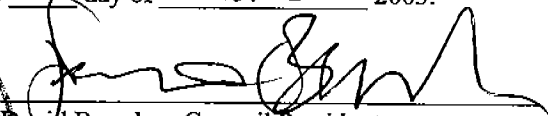
WHEREAS, the creation of an ad hoc task force to review the assessment of the region’s progress and provide recommendations to the Metro Council is the appropriate means for Metro to decide any change to the process, tools and strategies for meeting the affordable housing needs of the region; now, therefore,

THE METRO COUNCIL HEREBY ORDAINS AS FOLLOWS:

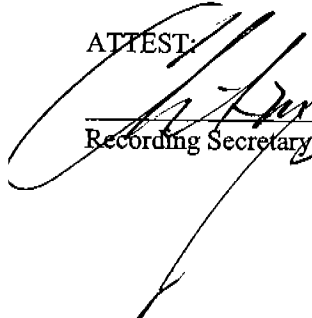
1. Sections 3.07.730, 3.07.740 and 3.07.750 of Title 7 of the UGMFP are hereby amended as indicated in Exhibit A, attached and incorporated into this ordinance, to clarify the responsibility of cities and counties to consider adoption of affordable housing tools strategies and to revise the deadlines for reporting their progress in doing so.
2. The Findings of Fact and Conclusions of Law in Exhibit B, attached and incorporated into this ordinance, explain how this ordinance complies with state law and the Regional Framework Plan.

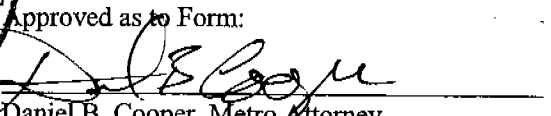
ADOPTED by the Metro Council this 26<sup>th</sup> day of June 2003.



  
\_\_\_\_\_  
David Bragdon, Council President

ATTEST:

  
\_\_\_\_\_  
Recording Secretary

Approved as to Form:  
  
\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney

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WHEREAS, the Executive Officer, pursuant to Title 8 of the UGMFP, section 3.07.880A, reported to the Council on December 2, 2002, that many cities and counties did not submit reports on their progress to the Council or MPAC as required by Title 7; and

WHEREAS, upon receiving the report from the Executive Officer, the Council consulted MPAC about the noncompliance with the reporting requirements of Title 7 and learned that some cities and counties did not understand the nature of the requirement in subsection 3.07.730B that they “consider” amendment of their plans and ordinances to incorporate affordable housing tools and strategies; and

WHEREAS, the Council believes clarification of the requirement in subsection 3.07.730B and extension of reporting timelines in section 3.07.740 will improve compliance with both requirements and ultimately lead to better affordable housing tools and strategies in the region; and

WHEREAS, Metro’s assessment of the region’s progress toward achieving the affordable housing production goals in Table 3.07-7 will necessitate local governments’ assistance in the compilation of subsidized units produced in 2001 and 2002; and

WHEREAS, Metro’s assessment of the region’s progress will also be based on local governments’ three reports explaining the outcomes of affordable housing tools and strategies implemented; and

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WHEREAS, some local governments submitted reports that complied with Title 7, as amended by this ordinance, by the deadline specified in section 3.07.740B of Title 7 and should not have to submit new reports under that subsection; and

WHEREAS, the creation of an ad hoc task force to review the assessment of the region’s progress and provide recommendations to the Metro Council is the appropriate means for Metro to decide any change to the process, tools and strategies for meeting the affordable housing needs of the region; now, therefore,

THE METRO COUNCIL HEREBY ORDAINS AS FOLLOWS:

1. Sections 3.07.730, 3.07.740 and 3.07.750 of Title 7 of the UGMFP are hereby amended as indicated in Exhibit A, attached and incorporated into this ordinance, to clarify the responsibility of cities and counties to consider adoption of affordable housing tools strategies and to revise the deadlines for reporting their progress in doing so.
2. The Findings of Fact and Conclusions of Law in Exhibit B, attached and incorporated into this ordinance, explain how this ordinance complies with state law and the Regional Framework Plan.

ADOPTED by the Metro Council this \_\_\_\_ day of \_\_\_\_\_ 2003.

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David Bragdon, Council President

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Approved as to Form:

\_\_\_\_\_  
Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney

## Exhibit A to Ordinance No. 03-1005A

### TITLE 7: AFFORDABLE HOUSING

#### 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 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. 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.

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 a guide to measure progress toward 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 Progress Report

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.

#### 3.07.760 Recommendations to Implement Other Affordable Housing Strategies

- 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.



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

<b>Jurisdiction</b>	<b>2001-2006 Affordable Housing Production Goals</b>		
	<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
<b>Total</b>	<b>6,419</b>	<b>2,628</b>	<b>9,047</b>

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

Exhibit A to Ordinance No. 03-1005A

**TITLE 7: AFFORDABLE HOUSING**

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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 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. 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.

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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 a guide to measure progress toward meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median household family income in their jurisdiction.

3.07.730 Requirements for Comprehensive Plan and Implementing Ordinance Changes

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- 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 undertakes and completes its consideration of the plan or ordinance amendment 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.
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- d. Regularly review existing codes for usefulness and conflicts.
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- 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.

~~C. The "requirement to consider" means local governments shall report what actions were taken or not taken, including but not limited to the seven land use tools listed above in order to carry out Comprehensive Plan affordable housing policies, and also report on tools considered but not adopted, and why these tools were not adopted.~~

3.07.740 Requirements for Progress Report

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. ~~Within 12 months from the adoption of this requirement~~ 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. ~~Within 24 months from the adoption of this requirement~~ By December 31, 2003, cities and counties each city and county within the Metro region shall provide a report to Metro on the status of their its comprehensive plan and implementing ordinances amendments and adoption of land use related affordable housing tools 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. ~~Within 36 months from the adoption of this requirement~~ By June 30, 2004, cities and counties each city and county within the Metro region shall report to Metro on the outcome of the amendments to their its comprehensive plan and implementing ordinances, the outcomes of affordable housing tools and implemented, and any other affordable housing developed and expected 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, ~~in 2003:~~
- ~~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;~~
  - ~~42. By December, 2004, Fformally assess the region's progress toward achieving made in 2001-2003 to achieve the affordable housing production goals in Table 3.07-7-using 2000 U.S. Census data and local data;~~
  - ~~23. By December, 2004, Rreview and assess affordable housing tools and strategies implemented by local-jurisdictions governments and other public and private entities;~~
  - ~~34. By December, 2004, Eexamine federal and state legislative changes;~~
  - ~~45. By December, 2004, Rreview the availability of a regional funding source; and~~
  - ~~56. By December, 2004, Re-analyze update the estimate of the region's affordable housing need; and decide whether any changes are warranted to the process, tools and strategies, funding plans or goals to ensure that significant progress is made toward providing affordable housing for those most in need.~~
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**Table 3.07-7**  
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 (Section 3.07.720)

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\* 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. 03-1005A  
Findings of Fact, Conclusions of Law**

Ordinance No. 03-1005A revises the responsibilities of local governments under Title 7 (Affordable Housing) of the Urban Growth Management Functional Plan (“UGMFP”). The ordinance does not change the substance of Title 7.

**I. STATEWIDE PLANNING GOALS**

**Goal 1 - Citizen Involvement:** Metro followed its procedures for amendment to the UGMFP, including notification to the Oregon Department of Land Conservation and Development 45 days prior to Metro’s first public hearing on Ordinance No. 03-1005, review of the proposed amendments by Metro’s Metropolitan Policy Advisory Committee and its Metropolitan Technical Advisory Committee. The Metro Council held a public hearing on the ordinance on June 26, 2003. Ordinance No. 03-1005 complies with Goal 1.

**Goal 2 - Land Use Planning:** Metro notified and sought review of the proposed amendments from all cities and counties within the region. Metro also sought review of the proposals by Metro’s Metropolitan Policy Advisory Committee and its Metropolitan Technical Advisory Committee (both bodies composed largely of elected or appointed officials of cities and counties of the region). Metro considered and accommodated the interests and concerns of cities and counties in the formulation of the amendments.

As set forth below, the proposed amendments comply with Metro’s Regional Framework Plan (“RFP”).

Ordinance No. 03-1005 complies with Goal 2.

**Goal 3 - Agricultural Land:** Goal 3 does not apply to this amendment to Title 7, which applies only to land within Metro’s UGB.

**Goal 4 - Forest Land:** Goal 4 does not apply to this amendment to Title 7, which applies only to land within Metro’s UGB.

**Goal 5 - Open Spaces, Scenic and Historic Areas and Natural Resources:** The revisions to Title 7 do not affect resources protected by Goal 5.

**Goal 6 - Air, Water and Land Resources Quality:** The revisions to Title 7 do not affect resources protected by Goal 6.

**Goal 7 - Areas Subject to Natural Disasters and Hazards:** The revisions to Title 7 do not affect areas subject to natural disasters and hazards.

**Goal 8 - Recreational Needs:** The revisions to Title 7 do not affect recreational needs in the region.



**Goal 9 - Economic Development:** The revisions to Title 7 do not affect local economic development plans or economic development in the region.

**Goal 10 - Housing:** The revisions to Title 7 do not affect the supply of land for needed housing or the standards or criteria for review of needed housing. The revisions will facilitate city and county progress toward achievement of their affordable housing goals by clarifying their responsibility to consider strategies set forth in Title 7, and by setting deadlines for reporting their progress that conform more closely to the availability of data needed for their reports. Ordinance No. 03-1005 complies with Goal 10.

**Goal 11 - Public Facilities and Services:** The revisions to Title 7 do not affect local plans for public facilities and services or the ability of cities or counties to provide services.

**Goal 12 - Transportation:** The revisions to Title 7 do not affect local plans for transportation facilities or the facilities themselves.

**Goal 13 - Energy Conservation:** The revisions to Title 7 do not affect energy resources protected by Goal 13.

**Goal 14 - Urbanization:** The revisions to Title 7 do not affect the supply of land for housing in the region or the conversion of urbanizable land to urban use.

**Goal 15 - Willamette River Greenway:** The revisions to Title 7 do not affect the Willamette River Greenway.

## II. REGIONAL FRAMEWORK PLAN

**Policies 1.1 (Urban Form), 1.2 (Built Environment), 1.3 (Housing and Affordable Housing) and 1.4 (Economic Opportunity):** Ordinance No. 03-1005 will facilitate city and county progress toward achievement of their affordable housing goals by clarifying their responsibility to consider strategies set forth in Title 7, and by setting deadlines for reporting their progress that conform more closely to the availability of data needed for their reports. These measures will help the region provide affordable housing on a “fair share” basis and maintain a variety of housing choices. More thorough compliance with Title 7 will better balance housing costs and the number and wage levels of jobs in the region.

**Policy 1.5 - Economic Vitality:** More thorough compliance with Title 7 will allow better monitoring of housing availability and the balance housing costs and wage levels of jobs in the region.

**Policies 1.6 (Growth Management), 1.7 (Urban-Rural Transition), 1.9 (Urban Growth Boundary), 1.11 (Neighbor Cities), 1.2 (Protection of Agricultural and Forest Resource Lands), 1.14 (School Siting), 1.15 (Centers), 1.16 (Neighborhoods):** The revisions to Title 7 do not invoke these policies.

**Policy 1.8 - Developed Urban Land:** Ordinance No. 03-1005 will facilitate city and county progress toward achievement of affordable housing goals by clarifying their responsibility to consider strategies set forth in Title 7, and by setting deadlines for reporting their progress that conform more closely to the availability of data needed for their reports. These measures will help the region use urban land more efficiently.

**Policy 1.10 - Urban Design:** Ordinance No. 03-1005 will facilitate city and county progress toward achievement of affordable housing goals by clarifying their responsibility to consider strategies set forth in Title 7, and by setting deadlines for reporting their progress that conform more closely to the availability of data needed for their reports. These measures will facilitate the development and preservation of affordable, mixed-income neighborhoods.

**Policy 1.13 - Participation of Citizens:** For the reasons that demonstrate compliance with statewide planning Goal 1, Ordinance No. 03-1005 complies with Policy 1.13.

**Exhibit B to Ordinance No. 03-1005A**  
**Findings of Fact, Conclusions of Law**

Ordinance No. 03-1005A revises the responsibilities of local governments under Title 7 (Affordable Housing) of the Urban Growth Management Functional Plan ("UGMFP"). The ordinance does not change the substance of Title 7.

**I. STATEWIDE PLANNING GOALS**

**Goal 1 - Citizen Involvement:** Metro followed its procedures for amendment to the UGMFP, including notification to the Oregon Department of Land Conservation and Development 45 days prior to Metro's first public hearing on Ordinance No. 03-1005, review of the proposed amendments by Metro's Metropolitan Policy Advisory Committee and its Metropolitan Technical Advisory Committee. The Metro Council held a public hearing on the ordinance on June 26<sup>3</sup>, 2003. Ordinance No. 03-1005 complies with Goal 1.

**Goal 2 - Land Use Planning:** Metro notified and sought review of the proposed amendments from all cities and counties within the region. Metro also sought review of the proposals by Metro's Metropolitan Policy Advisory Committee and its Metropolitan Technical Advisory Committee (both bodies composed largely of elected or appointed officials of cities and counties of the region). Metro considered and accommodated the interests and concerns of cities and counties in the formulation of the amendments.

As set forth below, the proposed amendments comply with Metro's Regional Framework Plan ("RFP").

Ordinance No. 03-1005 complies with Goal 2.

**Goal 3 - Agricultural Land:** Goal 3 does not apply to this amendment to Title 7, which applies only to land within Metro's UGB.

**Goal 4 - Forest Land:** Goal 4 does not apply to this amendment to Title 7, which applies only to land within Metro's UGB.

**Goal 5 - Open Spaces, Scenic and Historic Areas and Natural Resources:** The revisions to Title 7 do not affect resources protected by Goal 5.

**Goal 6 - Air, Water and Land Resources Quality:** The revisions to Title 7 do not affect resources protected by Goal 6.

**Goal 7 - Areas Subject to Natural Disasters and Hazards:** The revisions to Title 7 do not affect areas subject to natural disasters and hazards.

**Goal 8 - Recreational Needs:** The revisions to Title 7 do not affect recreational needs in the region.

**Goal 9 - Economic Development:** The revisions to Title 7 do not affect local economic development plans or economic development in the region.

**Goal 10 - Housing:** The revisions to Title 7 do not affect the supply of land for needed housing or the standards or criteria for review of needed housing. The revisions will facilitate city and county progress toward achievement of their affordable housing goals by clarifying their responsibility to consider strategies set forth in Title 7, and by setting deadlines for reporting their progress that conform more closely to the availability of data needed for their reports. Ordinance No. 03-1005 complies with Goal 10.

**Goal 11 - Public Facilities and Services:** The revisions to Title 7 do not affect local plans for public facilities and services or the ability of cities or counties to provide services.

**Goal 12 - Transportation:** The revisions to Title 7 do not affect local plans for transportation facilities or the facilities themselves.

**Goal 13 - Energy Conservation:** The revisions to Title 7 do not affect energy resources protected by Goal 13.

**Goal 14 - Urbanization:** The revisions to Title 7 do not affect the supply of land for housing in the region or the conversion of urbanizable land to urban use.

**Goal 15 - Willamette River Greenway:** The revisions to Title 7 do not affect the Willamette River Greenway.

## II. REGIONAL FRAMEWORK PLAN

**Policies 1.1 (Urban Form), 1.2 (Built Environment), 1.3 (Housing and Affordable Housing) and 1.4 (Economic Opportunity):** Ordinance No. 03-1005 will facilitate city and county progress toward achievement of their affordable housing goals by clarifying their responsibility to consider strategies set forth in Title 7, and by setting deadlines for reporting their progress that conform more closely to the availability of data needed for their reports. These measures will help the region provide affordable housing on a “fair share” basis and maintain a variety of housing choices. More thorough compliance with Title 7 will better balance housing costs and the number and wage levels of jobs in the region.

**Policy 1.5 - Economic Vitality:** More thorough compliance with Title 7 will allow better monitoring of housing availability and the balance housing costs and wage levels of jobs in the region.

**Policies 1.6 (Growth Management), 1.7 (Urban-Rural Transition), 1.9 (Urban Growth Boundary), 1.11 (Neighbor Cities), 1.2 (Protection of Agricultural and Forest Resource Lands), 1.14 (School Siting), 1.15 (Centers), 1.16 (Neighborhoods):** The revisions to Title 7 do not invoke these policies.

**Policy 1.8 - Developed Urban Land:** Ordinance No. 03-1005 will facilitate city and county progress toward achievement of affordable housing goals by clarifying their responsibility to consider strategies set forth in Title 7, and by setting deadlines for reporting their progress that conform more closely to the availability of data needed for their reports. These measures will help the region use urban land more efficiently.

**Policy 1.10 - Urban Design:** Ordinance No. 03-1005 will facilitate city and county progress toward achievement of affordable housing goals by clarifying their responsibility to consider strategies set forth in Title 7, and by setting deadlines for reporting their progress that conform more closely to the availability of data needed for their reports. These measures will facilitate the development and preservation of affordable, mixed-income neighborhoods.

**Policy 1.13 - Participation of Citizens:** For the reasons that demonstrate compliance with statewide planning Goal 1, Ordinance No. 03-1005 complies with Policy 1.13.

## STAFF REPORT

### CONSIDERATION OF ORDINANCE NO. 03-1005 FOR THE PURPOSE OF AMENDING TITLE 7 OF THE OF THE URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TO CLARIFY AND REVISE CITY AND COUNTY RESPONSIBILITIES

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Date: April 15, 2003

Prepared by: Gerry Uba

#### BACKGROUND

On January 18, 2001, the Metro Council adopted Ordinance 00-882C, amending the Regional Framework Plan housing and affordable housing policy and amending the Urban Growth Management Functional Plan Title 7, entitled "Affordable Housing." The amendment to Title 7 included actions to be taken by Metro and local governments.

Title 7 requires Local governments to:

- a) Adopt local affordable housing production goals;
- b) Ensure that their comprehensive plans and implementing ordinances include policies that encourage and increase affordable housing;
- c) Consider amendment of their comprehensive plans and implementing ordinances by adopting land use tools and strategies; and
- d) Prepare and submit progress reports at 12 month (January 2002), 24 month (January 2003) and 36 month (January 2004) intervals.

Title 7 requires Metro to do the following in 2003:

- a) Review progress reports submitted by cities and counties;
- b) Use 2000 Census data and local data to assess the region's progress toward achieving the affordable housing production goals in Title 7;
- c) Assess affordable housing tools and strategies implemented by local jurisdictions;
- d) Examine federal and state legislative changes;
- e) Review the availability of a regional funding source; and
- f) Re-analyze affordable housing need and decide changes to the process, tools and strategies, funding plans or goals to ensure more affordable housing.

#### Local response and Interpretation

Only nine jurisdictions submitted their first year (2002) report by the time staff prepared the Annual Compliance Report for the Urban Growth Management Functional Plan in early December 2002. On December 10, 2002 and January 30, 2003, the Council reviewed the Annual Compliance Report, including the Title 7 report, and held a public hearing. The Annual Compliance Report for Title 7 stated the difficulty that Metro staff was having with interpretation of the requirement of local governments to "consider amendment of their comprehensive plans and implementing ordinances with affordable housing tools and strategies."

#### Analysis and Conclusion

The proposed amendment of Title 7 provides a clarification to the term "consider" in section 3.07.730.B. This clarification enhances the comprehension of local governments' effort in complying with the requirements of Title 7.

Metro has not initiated the assessment of the region's progress in 2003 because of the following reasons: a) limited number of first and second year (2002 and 2003) reports submitted by local governments; b) all of the three years (2002, 2003, 2004) reports required of local governments would better explain the outcomes of affordable housing tools and strategies implemented; c)

the assistance of local governments in the compilation of subsidized housing units will be needed; d) local governments will need more time to complete their annual report explaining the outcomes of affordable housing tools and strategies implemented and assist Metro in the compilation of subsidized housing units produced.

The ordinance proposed that the deadline for local governments to submit their second year (2003) and third year (2004) reports should be moved to end of the fiscal year June 2003 and June 2004 respectively. The proposed amendment of Title 7 with the new reporting deadlines gives local governments more time to submit their annual reports and assist Metro in the compilation of subsidized housing units produced after 2000 that are needed to assess the region's progress.

The proposed amendment of Title 7 requires the estimation of a 2000 baseline housing units affordable to households in the 50% and below of the region's median family income prior to the assessment of the region's progress in affordable housing production. The amendment changes the date for Metro to assess the region's progress toward achieving the affordable housing production goals in Title 7, assess tools and strategies implemented, examine federal and state legislative changes, review availability of a regional funding source, and update the estimate of the region's affordable housing need, and thus accommodating local governments' assistance in the compilation of subsidized housing units and submission of annual reports. The amendment of Title 7 with new reporting deadlines for the preceding reports makes it possible staff to provide accurate information that Metro need to decide any changes to the process and tools and strategies for meeting the affordable housing need of the region.

## **ANALYSIS/INFORMATION**

### **Known Opposition**

Staff is not aware of any opposition to the proposed legislation

### **Legal Antecedents**

Metro Code 3.07.710 established subjects for affordable housing for local governments and Metro to comply.

### **Anticipated Effects**

Ordinance No. 03-1005 would amend Title 7 of the Urban Growth Management Functional Plan to help ensure complete local consideration of affordable housing progress and updated Metro analysis.

### **Budget Impacts**

None

## **RECOMMENDED ACTION**

Staff recommends the adoption of Ordinance No. 03-1005 to provide clarification for the evaluation of local governments' annual reports. The adoption of the Ordinance No. 03-1005 provides more time for local governments to submit the annual reports and assist to collect local data that is needed for the assessment of the region's progress, and provides more time for Metro to update the region's affordable housing need and complete the assessment of the region's progress.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING TITLE 7 OF ) Ordinance No. 03-1005  
THE URBAN GROWTH MANAGEMENT )  
FUNCTIONAL PLAN TO CLARIFY AND REVISE ) Introduced by Councilor Rex  
CITY AND COUNTY RESPONSIBILITIES ) Burkholder

WHEREAS, Title 7 of the Urban Growth Management Functional Plan (“UGMFP”), section 3.07.740, requires cities and counties in the region to report to the Metro Council and the Metropolitan Policy Advisory Committee (“MPAC”) on their progress toward incorporation of affordable housing tools and strategies into their comprehensive plans and implementing ordinances; and

WHEREAS, the Executive Officer, pursuant to Title 8 of the UGMFP, section 3.07.880A, reported to the Council on December 2, 2002, that many cities and counties did not submit reports on their progress to the Council or MPAC as required by Title 7; and

WHEREAS, upon receiving the report from the Executive Officer, the Council consulted MPAC about the noncompliance with the reporting requirements of Title 7 and learned that some cities and counties did not understand the nature of the requirement in subsection 3.07.730B that they “consider” amendment of their plans and ordinances to incorporate affordable housing tools and strategies; and

WHEREAS, the Council believes clarification of the requirement in subsection 3.07.730B and extension of reporting timelines in section 3.07.740 will improve compliance with both requirements and ultimately lead to better affordable housing tools and strategies in the region; and

WHEREAS, Metro’s assessment of the region’s progress toward achieving the affordable housing production goals in Table 3.07-7 will necessitate local governments’ assistance in the compilation of subsidized units produced in 2001 and 2002; and

WHEREAS, Metro’s assessment of the region’s progress will also be based on local governments’ three reports explaining the outcomes of affordable housing tools and strategies implemented; and

WHEREAS, local governments will need more time to assist Metro to compile subsidized units produced and to complete their reports explaining the outcomes of affordable housing tools and strategies implemented. Extension of reporting timelines in sections 3.07.740 and 3.07.750 is necessary to accommodate local governments’ assistance in the compilation of subsidized units and submission of annual reports and Metro’s assessment of the region’s progress; and

WHEREAS, the creation of an ad hoc task force to review the assessment of the region’s progress and provide recommendations to the Metro Council is the appropriate means for Metro to decide any change to the process, tools and strategies for meeting the affordable housing needs of the region; now, therefore,

THE METRO COUNCIL HEREBY ORDAINS AS FOLLOWS:

1. Sections 3.07.730, 3.07.740 and 3.07.750 of Title 7 of the UGMFP are hereby amended as indicated in Exhibit A, attached and incorporated into this ordinance, to clarify the responsibility of cities and counties to consider adoption of affordable housing tools strategies and to revise the deadlines for reporting their progress in doing so.



2. The Findings of Fact and Conclusions of Law in Exhibit B, attached and incorporated into this ordinance, explain how this ordinance complies with state law and the Regional Framework Plan.

ADOPTED by the Metro Council this \_\_\_\_ day of \_\_\_\_\_ 2003.

\_\_\_\_\_  
David Bragdon, Council President

ATTEST:

Approved as to Form:

\_\_\_\_\_  
Recording Secretary

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney

## Exhibit A to Ordinance No. 03-1005

### TITLE 7: AFFORDABLE HOUSING

#### 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 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. 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.

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 a guide to measure progress toward meeting the affordable housing needs of households with incomes between 0% and 50% median household income in their jurisdiction.

#### 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 undertakes and completes its consideration of the plan or ordinance amendment 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.

C. The “requirement to consider” means local governments shall report what actions were taken or not taken, including but not limited to the seven land use tools listed above in order to carry out Comprehensive Plan affordable housing policies, and also report on tools considered but not adopted, and why these tools were not adopted.

3.07.740 Requirements for Progress Report

Progress made by local jurisdictions in amending comprehensive plans 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. Within 12 months from the adoption of this requirement, 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. ~~Within 24 months from the adoption of this requirement~~ By June 30, 2003, cities and counties within the Metro region shall provide a report to Metro on the status of their comprehensive plans amendments and adoption of land use-related affordable housing tools.
- C. ~~Within 36 months from the adoption of this requirement~~ By June 30, 2004, cities and counties within the Metro region shall report to Metro on the amendments to their comprehensive plans, the outcomes of affordable housing tools and implemented, and any other affordable housing developed and expected.

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, ~~in 2003~~:
  - 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;

- ~~42.~~ By December, 2004, Formally assess the region's progress toward achieving made in 2001-2003 to achieve the affordable housing production goals in Table 3.07-7 using 2000 U.S. Census data and local data;
  - ~~23.~~ By December, 2004, Rreview and assess affordable housing tools and strategies implemented by local jurisdictions governments;
  - ~~34.~~ By December, 2004, Examine federal and state legislative changes;
  - ~~45.~~ Rreview the availability of a regional funding source; and
  - ~~56.~~ By December, 2004, Re-analyze update the estimate of the region's affordable housing need; and ~~decide whether any changes are warranted to the process, tools and strategies, funding plans or goals to ensure that significant progress is made toward providing affordable housing for those most in need.~~
7. By December, 2004, create an ad hoc affordable housing task force with representatives of 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 to recommend by June, 2005, any changes that are warranted to the process, tools and strategies, funding plans or goals to ensure that significant progress is made toward providing affordable housing for those most in need.

### 3.07.760 Recommendations to Implement Other Affordable Housing Strategies

- 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.

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

<b>Jurisdiction</b>	<b>2001-2006 Affordable Housing Production Goals</b>		
	<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
<b>Total</b>	<b>6,419</b>	<b>2,628</b>	<b>9,047</b>

**Exhibit B to Ordinance No. 03-1005  
Findings of Fact, Conclusions of Law**

Ordinance No. 03-1005 revises the responsibilities of local governments under Title 7 (Affordable Housing) of the Urban Growth Management Functional Plan (UGMFP). The ordinance does not change the substance of Title 7.

**I. Statewide Planning Goals**

Goal 1 - Citizen Involvement: Metro followed its procedures for amendment to the UGMFP, including notification to the Oregon Department of Land Conservation and Development 45 days prior to Metro's first public hearing on Ordinance No. 03-1005, review of the proposed amendments by Metro's Metropolitan Policy Advisory Committee and its Metropolitan Technical Advisory Committee. The Metro Council held a public hearing on the ordinance on \_\_\_\_\_, 2003. Ordinance No. 03-4222 complies with Goal 1.

Goal 2 - Land Use Planning: Metro notified and sought review of the proposed amendments from all cities and counties within the region. Metro also sought review of the proposals by Metro's Metropolitan Policy Advisory Committee and its Metropolitan Technical Advisory Committee (both bodies composed largely of elected or appointed officials of cities and counties of the region). Metro considered and accommodated the interests and concerns of cities and counties in the formulation of the amendments.

As set forth below, the proposed amendments comply with Metro's Regional Framework Plan ("RFP").

Ordinance No. 03-4222 complies with Goal 2.

Goal 3 - Agricultural Land: Goal 3 does not apply to this amendment to Title 7, which applies only to land within Metro's UGB.

Goal 4 - Forest Land: Goal 4 does not apply to this amendment to Title 7, which applies only to land within Metro's UGB.

Goal 5 - Open Spaces, Scenic and Historic Areas and Natural Resources: The revisions to Title 7 do not affect resources protected by Goal 5.

Goal 6 - Air, Water and Land Resources Quality: The revisions to Title 7 do not affect resources protected by Goal 6.

Goal 7 - Areas Subject to Natural Disasters and Hazards: The revisions to Title 7 do not affect areas subject to natural disasters and hazards.

Goal 8 - Recreational Needs: The revisions to Title 7 do not affect recreational needs in the region.



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Goal 11 - Public Facilities and Services: The revisions to Title 7 do not affect local plans for public facilities and services or the ability of cities or counties to provide services.

Goal 12 – Transportation: The revisions to Title 7 do not affect local plans for transportation facilities or the facilities themselves.

Goal 13 - Energy Conservation: The revisions to Title 7 do not affect energy resources protected by Goal 13.

Goal 14 – Urbanization: The revisions to Title 7 do not affect the supply of land for housing in the region or the conversion of urbanizable land to urban use.

Goal 15 - Willamette River Greenway: The revisions to Title 7 do not affect the Willamette River Greenway.

## **II. Regional Framework Plan**

Policies 1.1 (Urban Form), 1.2 (Built Environment), 1.3 (Housing and Affordable Housing) and 1.4 (Economic Opportunity): Ordinance No. 03-1005 will facilitate city and county progress toward achievement of their affordable housing goals by clarifying their responsibility to consider strategies set forth in Title 7, and by setting deadlines for reporting their progress that conform more closely to the availability of data needed for their reports. These measures will help the region provide affordable housing on a “fair share” basis and maintain a variety of housing choices. More thorough compliance with Title 7 will better balance housing costs and the number and wage levels of jobs in the region.

Policy 1.5 - Economic Vitality: More thorough compliance with Title 7 will allow better monitoring of housing availability and the balance housing costs and wage levels of jobs in the region.

Policies 1.6 (Growth Management), 1.7 (Urban-Rural Transition), 1.9 (Urban Growth Boundary), 1.11 (Neighbor Cities), 1.2 (Protection of Agricultural and Forest Resource Lands), 1.14 (School Siting), 1.15 (Centers), 1.16 (Neighborhoods): The revisions to Title 7 do not invoke these policies.

Policy 1.8 - Developed Urban Land: Ordinance No. 03-1005 will facilitate city and county progress toward achievement of affordable housing goals by clarifying their responsibility to consider strategies set forth in Title 7, and by setting deadlines for reporting their progress that conform more closely to the availability of data needed for their reports. These measures will help the region use urban land more efficiently.

Policy 1.10 - Urban Design: Ordinance No. 03-1005 will facilitate city and county progress toward achievement of affordable housing goals by clarifying their responsibility to consider strategies set forth in Title 7, and by setting deadlines for reporting their progress that conform more closely to the availability of data needed for their reports. These measures will facilitate the development and preservation of affordable, mixed-income neighborhoods.

Policy 1.13 – Participation of Citizens: For the reasons that demonstrate compliance with statewide planning Goal 1, Ordinance No. 03-1005 complies with Policy 1.13.

## STAFF REPORT

### CONSIDERATION OF ORDINANCE NO. 03-1005 FOR THE PURPOSE OF AMENDING TITLE 7 OF THE OF THE URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TO CLARIFY AND REVISE CITY AND COUNTY RESPONSIBILITIES

---

Date: April 15, 2003

Prepared by: Gerry Uba

#### BACKGROUND

On January 18, 2001, the Metro Council adopted Ordinance No. 00-882C, amending the Regional Framework Plan housing and affordable housing policy and amending the Urban Growth Management Functional Plan Title 7, entitled "Affordable Housing." The amendment to Title 7 included actions to be taken by Metro and local governments.

Title 7 requires local governments to:

- a) Adopt local affordable housing production goals;
- b) Ensure that their comprehensive plans and implementing ordinances include policies that encourage and increase affordable housing;
- c) Consider amendment of their comprehensive plans and implementing ordinances by adopting land use tools and strategies; and
- d) Prepare and submit progress reports at 12-month (January 2002), 24-month (January 2003) and 36-month (January 2004) intervals.

Title 7 requires Metro to do the following in 2003:

- a) Review progress reports submitted by cities and counties;
- b) Use 2000 Census data and local data to assess the region's progress toward achieving the affordable housing production goals in Title 7;
- c) Assess affordable housing tools and strategies implemented by local jurisdictions;
- d) Examine federal and state legislative changes;
- e) Review the availability of a regional funding source; and
- f) Re-analyze affordable housing need and decide changes to the process, tools and strategies, funding plans or goals to ensure more affordable housing.

#### Local Response and Interpretation

Only nine jurisdictions submitted their first year (2002) report by the time staff prepared the Annual Compliance Report for the Urban Growth Management Functional Plan in early December 2002. On December 10, 2002 and January 30, 2003, the Metro Council reviewed the Annual Compliance Report, including the Title 7 report, and held a public hearing. The Annual Compliance Report for Title 7 stated the difficulty that Metro staff was having with interpretation of the requirement of local governments to "consider amendment of their comprehensive plans and implementing ordinances with affordable housing tools and strategies."

#### Analysis and Conclusion

The proposed amendment of Title 7 provides a clarification to the term "consider" in section 3.07.730.B. This clarification enhances the comprehension of local governments' effort in complying with the requirements of Title 7.

Metro has not initiated the assessment of the region's progress in 2003 because of the following reasons: a) limited number of first and second year (2002 and 2003) reports submitted by local governments; b) all of the three years (2002, 2003 and 2004) reports required of local governments would better explain the outcomes of affordable housing tools and strategies implemented; c) the assistance of local governments in the compilation of subsidized housing units will be needed; d) local governments will need more time to complete their annual report explaining the outcomes of affordable housing tools and strategies implemented and assist Metro in the compilation of subsidized housing units produced.

The ordinance proposed that the deadline for local governments to submit their second year (2003) and third year (2004) reports should be moved to end of the fiscal year June 2003 and June 2004, respectively. The proposed amendment of Title 7 with the new reporting deadlines gives local governments more time to submit their annual reports and assist Metro in the compilation of subsidized housing units produced after 2000 that are needed to assess the region's progress.

The proposed amendment of Title 7 requires the estimation of a 2000 baseline housing units affordable to households in the 50 percent and below of the region's median family income prior to the assessment of the region's progress in affordable housing production. The amendment changes the date for Metro to assess the region's progress toward achieving the affordable housing production goals in Title 7, assess tools and strategies implemented, examine federal and state legislative changes, review availability of a regional funding source, and update the estimate of the region's affordable housing need, and thus accommodating local governments' assistance in the compilation of subsidized housing units and submission of annual reports. The amendment of Title 7 with new reporting deadlines for the preceding reports makes it possible staff to provide accurate information that Metro need to decide any changes to the process and tools and strategies for meeting the affordable housing need of the region.

## **ANALYSIS/INFORMATION**

### **Known Opposition**

Staff is not aware of any opposition to the proposed legislation.

### **Legal Antecedents**

Metro Code 3.07.710 established subjects for affordable housing for local governments and Metro to comply.

### **Anticipated Effects**

Ordinance No. 03-1005 would amend Title 7 of the Urban Growth Management Functional Plan to help ensure complete local consideration of affordable housing progress and updated Metro analysis.

### **Budget Impacts**

None.

## **RECOMMENDED ACTION**

Staff recommends the adoption of Ordinance No. 03-1005 to provide clarification for the evaluation of local governments' annual reports. The adoption of the Ordinance No. 03-1005 provides more time for local governments to submit the annual reports and assist to collect local data that is needed for the assessment of the region's progress, and provides more time for Metro to update the region's affordable housing need and complete the assessment of the region's progress.

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