

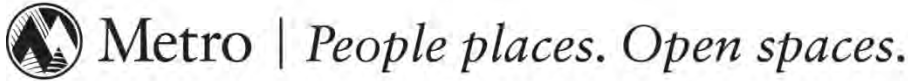
Metro | Agenda

Meeting: Metro Policy Advisory Committee (MPAC)
Date: Wednesday, November 10, 2010
Time: 5 to 7 p.m.
Place: Council Chambers

- | | | | |
|----------------|-----|---|---|
| 5 PM | 1. | <u>CALL TO ORDER</u> | Mike Weatherby, Chair |
| 5:02 PM | 2. | <u>SELF INTRODUCTIONS & COMMUNICATIONS</u> | Mike Weatherby, Chair |
| 5:05 PM | 3. | <u>CITIZEN COMMUNICATIONS ON NON-AGENDA ITEMS</u> | |
| 5:10 PM | 4. | * Consideration of the MPAC Minutes for October 27, 2010 | |
| 5:15 PM | 5. | <u>COUNCIL UPDATE</u> | |
| | 6. | <u>INFORMATION / DISCUSSION</u> | |
| 5:20 PM | 6.1 | * Illustrating the Role of Public Investment in Stimulating Private Development | Brian Harper
Jerry Johnson |
| | | 1. Does this research help illustrate the effect of public investments in achieving local aspirations? | |
| | 7. | <u>RECOMMENDATIONS: Community Investment Strategy</u> | |
| 6:05 PM | 7.1 | * Community Investment Strategy: Implementing Policies – Urban Growth Management Functional Plan | Sherry Oeser
Dick Benner
MTAC member |
| | | • Housing Capacity (Title 1) | |
| | | 1. Does MPAC recommend that Council adopt a “no net loss” policy approach for housing capacity? | |
| | | • Centers, Corridors, Station Communities, and Main Streets (Title 6) | |
| | | 1. Does MPAC recommend that the Council adopt an incentive approach to encourage development in centers, corridors, station communities, and main streets? | |
| 6:40 PM | 7.2 | * Report from MPAC Housing Planning Subcommittee – | Robert Liberty
Jack Hoffman |
| | | 1. Should plans describe in detail the variety of housing types that are intended for a new urban area? | |
| | | 2. Should plans describe how the city would address housing needs in the prospective UGB expansion area, in the prospective governing city, and the region? | |
| | | 3. Should plans identify the types of housing that are likely to be built in the 20-year planning period and describe additional strategies to encourage the development of needed housing types that would otherwise not be built? | |
| | | 4. Does MPAC recommend that the Metro Council adopt the proposed changes to Title 11 (Planning for New Urban Areas)? | |
| 6:55 PM | 8. | <u>MPAC MEMBER COMMUNICATION</u> | |
| 7PM | 9. | <u>ADJOURN</u> | Mike Weatherby, Chair |

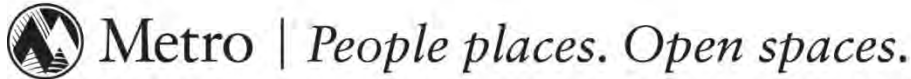
* Material available electronically along with packet.

For agenda and schedule information, call Kelsey Newell at 503-797-1916, e-mail: kelsey.newell@oregonmetro.gov. To check on closure or cancellations during inclement weather please call 503-797-1700x.



2010 MPAC Tentative Agendas *Tentative as of November 3, 2010*

<p><u>MPAC Meeting</u> November 10</p> <ul style="list-style-type: none">• Illustrating the role of public investment in stimulating private development• Report from MPAC Title 11 Subcommittee (discussion and recommendation)• Community Investment Strategy: Implementing Policies – Urban Growth Management Functional Plan Title 1 and Title 6	<p><u>MPAC Meeting</u> November 17</p> <ul style="list-style-type: none">• Recommendation to Council on Community Investment Strategy and Capacity Ordinance<ul style="list-style-type: none">○ Regional Framework Plan and Urban Growth Management Functional Plan changes○ 2040 Growth Concept map update○ Strategies to address large lot industrial needs○ Strategies to address residential needs
<p><u>FYI: Nov. 29 Metro Council Public Hearing on Capacity of Urban Growth Boundary</u> Location: Clackamas County Public Services Building Time: 5 – 9 p.m.</p>	<p><u>FYI: Dec. 2 Metro Council Public Hearing on Capacity of Urban Growth Boundary</u> Location: Hillsboro Civic Center Time: 5 – 9 p.m.</p>
<p><u>FYI: Dec. 9 Metro Council Public Hearing on Capacity of Urban Growth Boundary</u> Location: Metro Regional Center Time: 5 – 9 p.m.</p>	<p><u>MPAC Meeting</u> December 8</p>



METRO POLICY ADVISORY COMMITTEE

October 27, 2010

Metro Regional Center, Council Chambers

MEMBERS PRESENT

Sam Adams
Matt Berkow
Pat Campbell
Jody Carson
Steve Clark
Nathalie Darcy
Andy Duyck
Amanda Fritz
Jack Hoffman
Dick Jones
Robert Liberty
Marilyn McWilliams
Charlynn Newton
Rod Park
Alice Norris
Mike Weatherby, Chair
Jerry Willey, Second Vice Chair

AFFILIATION

City of Portland Council
Multnomah County Citizen
City of Vancouver
City of West Linn, representing Clackamas Co. Other Cities
TriMet Board of Directors
Washington County Citizen
Washington County Commission
City of Portland Council
City of Lake Oswego, representing Clackamas Co. Largest City
Clackamas County Special Districts
Metro Council
Washington County Special Districts
City of North Plains, representing Washington Co. outside UGB
Metro Council
City of Oregon City, representing Clackamas Co. 2nd Largest City
City of Fairview, representing Multnomah County Other Cities
City of Hillsboro, representing Washington County Largest City

MEMBERS EXCUSED

Shane Bemis
Dennis Doyle
Carl Hosticka
Charlotte Lehan, Vice Chair
Keith Mays
Judy Shiprack
Wilda Parks
Steve Stuart
Richard Whitman

AFFILIATION

City of Gresham, representing Multnomah Co. 2nd Largest City
City of Beaverton, representing Washington Co. 2nd Largest City
Metro Council
Clackamas County Commission
City of Sherwood, representing Washington Co. Other Cities
Multnomah County Commission
Clackamas County Citizen
Clark County, Washington Commission
Oregon Department of Land Conservation & Development

ALTERNATES PRESENT

Bob Austin
Shirley Craddick
Lou Ogden
Marc San Soucie

AFFILIATION

Clackamas County Commission
City of Gresham, representing Multnomah Co. 2nd Largest City
City of Tualatin, representing Washington Co. Other Cities
City of Beaverton, representing Washington Co. 2nd Largest City

STAFF: Dick Benner, Alison Kean Campbell, Nick Christensen, Dan Cooper, Andy Cotugno, Robin McArthur, Jim Middaugh, Kelsey Newell, Sherry Oeser, Ken Ray, Ted Reid, Sheena VanLeuven, John Williams

1. CALL TO ORDER AND DECLARATION OF A QUORUM

Chair Mike Weatherby declared a quorum and called the meeting to order at 5:09 p.m.

2. SELF INTRODUCTIONS AND COMMUNICATIONS

Audience and committee members introduced themselves.

Councilor Duyck announced that Washington County had passed Ordinance 730, covering North Bethany, which will lead to a well-planned neighborhood that meets the goals of the 2040 Growth Concept.

Chair Weatherby asked the committee to add item 6.4 to the agenda, to consider the City of Tualatin's request for Urban Growth Expansion into area F5.

Mr. Steve Clark addressed the committee, expressing frustration with the proceedings and the outcomes of the October 13 MPAC meeting. He encouraged committee members to consider how they can be more effective and give better advice to the Metro Council. The committee discussed Mr. Clark's comments.

3. CITIZEN COMMUNICATIONS ON NON-AGENDA ITEMS

There were none.

4. CONSENT AGENDA

Consideration of the MPAC minutes for October 13, 2010

MOTION: Mayor Alice Norris moved, and Ms. Nathalie Darcy seconded, to approve the October 13, 2010 MPAC minutes

FRIENDLY AMENDMENT: Mayor Willey asked that the October 13 minutes be amended to show in item 7.1 that the City of Forest Grove has requested the consideration of 118 acres for UGB expansion, not 367 as written. Mayor Norris accepted the amendment.

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

5. COUNCIL UPDATE

Councilor Liberty updated the committee on:

- The Land Conservation and Development Commission has delayed its decision on the urban and rural reserves designated by Metro and the three Counties until October 29;
- Public hearings will be held in late November and early December regarding Metro's decision on whether to expand the UGB at the end of the year; and

- Last week Portland hosted the Rail~Volution conference which attracted over 1,000 attendees and participants, including Congressman Blumenauer and Senator Merkeley.

Mr. Jim Middaugh of Metro introduced a new media experiment in which reporter Nick Christensen will post articles to Metro's website on issues related to the Community Investment Strategy. Mr. Middaugh noted that this is an attempt to make Metro more transparent and accessible to the public. He invited feedback from committee members on this experiment.

6. INFORMATION/ DISCUSSION ITEMS

6.1 Addressing the region's large-site industrial needs

Mr. Ted Reid of Metro discussed the issue of maintaining and replenishing an inventory of large industrial sites in the region. He noted that MTAC has come to some agreement that a tiered system is needed, where tier 1 sites are those that are development-ready and would be monitored as part of the replenishment system, and tier 2 sites are opportunity sites such as brownfields, smaller sites that could be assembled into larger ones, or sites still in need of concept planning.

Mr. Tom Armstrong and Ms. Beverley Bookin, MTAC members, were present to comment on the issue of large industrial sites. Mr. Armstrong commented that a tiered system is consistent with Metro's Community Investment Strategy. Ms. Bookin gave further details on how the groups she represents, including the Columbia Corridor Association and the Westside Economic Alliance, have envisioned the tiered system.

Committee discussion included:

- How the development of brownfields would work in the tiered system, and whether the rehabilitated sites would be designated as regionally-significant industrial land;
- How large sites that have certain niche marketability factors and that meet specific needs, such as access to a port or airport, would be replenished, and the possible need for a sub-tier process to determine how these would be replenished;
- Whether permitting on tier 1 sites could be fast-tracked for development approval;
- Concern over what the trigger point would be for the replenishment process to begin and the timeline for the replenishment process;
- The value of improvements to existing sites in raising them from tier 2 to tier 1;
- The importance of being well-informed by the business community, Greenlight Greater Portland, and other groups in order to effectively create land-use strategies to strengthen the economy and advance community aspirations;
- The fact that different jurisdictions have different target industries and that an assortment of industrial site sizes is needed to support those industries;
- The fact that many traded-sector industries have occupied existing facilities rather than building new ones, so it is important to also consider redeveloping existing sites;

- The possibility of forming a subcommittee for brownfield development in 2011 in order to address that issue; and
- The need for more data on where jobs are located and what industries' niches are for industrial land.

The committee showed support through a show of hands for the idea of a replenishment concept and indicated that staff should work on refining the concept for the November 10 meeting.

6.2 Addressing the region's residential needs

Mr. Ted Reid gave background on the range in the residential capacity gap and noted that Metro's Chief Operating Officer has recommended targeting the middle third of the range when making growth management decisions. Councilor Robert Liberty said that the Council had a preliminary discussion on this issue in which the majority of Councilors wanted to focus on the lower end of the middle third of the range.

Committee discussion included:

- Some support for targeting the middle third of the range for reasons of market achievability, considerations about greenhouse gas emissions and regional transportation, and a desire to not risk adding too much or two little land;
- The consideration that smaller houses are coming into favor, and that a tighter UGB might encourage the private sector more to be more innovative in housing development;
- Whether targeting the lower end of the middle third of the range would conflict with local aspirations with regard to housing densities and refill capabilities;
- How data analysis discussed at the June 9, 2010 MPAC meeting lends support to targeting toward the lower end of the range;
- The fact that some of the land brought in to the UGB during the last expansion has not yet been developed and should be before planning for the inclusion of more land;
- That there is large potential for redevelopment on land already in the UGB; and
- Whether the committee's recommendations to the Council depend on knowledge of the relationship between how much land is developed and how it is developed.

MOTION: Ms. Nathalie Darcy moved, and Mr. Steve Clark seconded, to recommend to the Metro Council that it target the lower end of the middle third.

FRIENDLY AMENDMENT: Mayor Ogden asked to amend the main motion to recommend to the Metro Council that it target at least the lower end of the middle third. Ms. Darcy accepted the amendment.

ACTION TAKEN: With 13 in favor (Berkow, Carson, Clark, Craddick, Darcy, Duyck, Hoffman, Jones, McWilliams, Norris, Ogden, San Soucie, Weatherby), and 4 opposed (Adams, Austin, Fritz, Willey), the motion passed.

3 committee members (Jones, Ogden, Willey) showed support, through a show of hands, for recommending that the Metro Council target the upper part of the middle third of the range.

6 committee members (Adams, Austin, Carson, Darcy, Fritz, Norris) showed support, through a show of hands, for recommending that the Metro Council target below the middle third of the range.

4 committee members (Craddick, Jones, Ogden, Willey) showed support, through a show of hands, for recommending that the Metro Council target the middle part of the middle third of the range.

6.3 Implementation Policies- Title 6 of the Urban Growth Management Functional Plan

Ms. Sherry Oeser of Metro outlined the proposed changes to Title 6 of the Urban Growth Management Functional Plan which concerns Centers, Corridors, Station Areas and Main Streets. She discussed MTAC's recommendations on Title 6, which included taking a more incentives-based approach to helping jurisdictions develop centers and corridors.

Committee discussion included:

- Reasons for recommended density in corridors; and
- How incentives offered, such as automatic trip reductions, might not work for all jurisdictions equally; and

Councilor Craddick mentioned that the City of Gresham had questions concerning title 6 outlined in a letter included as supplemental material to the meeting packet. Ms. Oeser handed out a memo that had been sent to MTAC that responded to those questions.

The committee decided to postpone further discussion of this item to a later date.

6.4 In consideration of the City of Tualatin's request for UGB expansion

Mayor Lou Ogden of Tualatin explained the City of Tualatin's request for UGB expansion of 117 acres southwest of Tualatin. He noted that the area in question would provide additional large lot industrial land and would facilitate the development of the area by allowing for the extension of SW 124th Avenue.

Committee discussion included:

- Whether there are environmentally sensitive lands in the proposed expansion area; and
- Whether the proposed expansion would impact the Tonkin trail.

The committee decided to return to this item at a later meeting.

7. MPAC MEMBER COMMUNICATIONS

There were none.

8. ADJOURN

Chair Weatherby adjourned the meeting at 7:12 p.m.

Respectfully submitted,



Recording Secretary

ATTACHMENTS TO THE PUBLIC RECORD FOR OCTOBER 27, 2010:

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

ITEM	DOCUMENT TYPE	DOC DATE	DOCUMENT DESCRIPTION	DOCUMENT No.
5	Handout	10/20/2010	New media experiment update and policies	102710m-01
5	Handout		Connect with Metro contact card	102710m-02
6.3	Handout	10/26/2010	City of Gresham r.e. proposed amendments to Functional Plan	102710m-03
6.3	Handout	10/26/2010	To: MTAC From: Sherry Oeser R.e. Response to City of Gresham regarding title 6 changes	102710m-04
6.4	Handout	10/27/2010	City of Tualatin proposed UGB expansion request	102710m-05

MPAC Worksheet

Agenda Item Title Illustrating the Role of Public Investment in Stimulating Private Development

Presenter: Brian Harper/ Jerry Johnson

Contact for this worksheet/presentation: Brian Harper x1833

Council Liaison Sponsor:

Purpose of this item (check no more than 2):

Information

Update

Discussion

Action

MPAC Target Meeting Date: _____ November 10, 2010 _____

Amount of time needed for:

Presentation

Discussion

Purpose/Objective: To describe the result of research into the effect of public investment on the market's ability to utilize zoned capacity more effectively.

Action Requested/Outcome: To help inform policy makers on the value of public investments as a tool to realize local aspirations for development.

Background and context: The 2009 Urban Growth Report documented that the region has a large amount of underutilized capacity within Centers, Corridors and Station Communities due to lack of a market under current economic conditions. In his recommendations for the region, Metro's Chief Operating Officer calls for more cost-effective and targeted public investment as a means to support future private development. The challenge is to define the type and amount of public investments that are most effective in achieving local aspirations for these areas and realizing this development potential.

To help answer these questions, Metro contracted with Johnson-Reid to apply a hedonic measurement technique to estimate the price premium from the impact of different public amenities. Johnson-Reid estimated the value homeowners and renters would pay for specific public amenities. The research pointed to higher rents in areas with public investments in urban amenities, such as streetscape design, connectivity and bicycle racks. The results of the Johnson-Reid work allowed Metro staff to estimate a 20% increase in achievable rents when a full package of amenities were assumed.

Metro hired Fregonese Associates to help illustrate the effect of the changes in achievable rents on achieving local aspirations.. Fregonese Associates employed a pro forma real estate model to determine how additional public investments could shift price points to support redevelopment to higher density multifamily projects than otherwise would be produced by the market. Using test cases in three locations, this approach yielded a range for how many more residential units might be generated when public investments are concentrated in centers and corridors. It identified increases in achievable rents and differences in building types a developer could feasibly construct and which parcels become “ripe” (gain enough value) to warrant redevelopment. By utilizing real-time construction costs and land values, Fregonese Associates was able to determine what types of buildings could “pencil out” or be built while still providing a standard return on investment to the developer.

The illustrations showed that each jurisdiction could experience an increase in rents and sales prices for homes when a package of specific public investments is made, resulting in additional development potential and more efficient use of infill land. With further study and analysis, these results can help communities identify the types of investment needed to support their development aspirations and realize the unused zoned capacity within the region.

This research represents a first step for the region in determining the impact of public investment and its ability to leverage private investment in our communities. Further research would be needed to determine the specific impact of individual investments and the potential return on investment that each may represent.

This research and illustrations were included in the COO recommendation appendix. A final report/brochure will be available for broader distribution.

What has changed since MPAC last considered this issue/item?

MPAC had a presentation earlier in 2010 on the proposal to conduct this research. The results were included in the Chief Operating Officer’s recommendations as an appendix. This presentation describes the research results and illustrates the development potential.

What packet material do you plan to include?

There are no packet materials to include. Staff will make a presentation and a brochure/final report will be available at a later date.

What is the schedule for future consideration of item?

Item was presented to MTAC at on November 3, 2010 for their information and comments.

MPAC Worksheet

Agenda Item Title (include ordinance or resolution number and title if applicable):

Community Investment Strategy: Implementing Policies – Urban Growth Management Functional Plan:
Housing Capacity (Urban Growth Management Functional Plan Title 1)

Presenter: Sherry Oeser, Dick Benner

Contact for this worksheet/presentation: Sherry Oeser

Council Liaison Sponsor:

Purpose of this item (check no more than 2):

Information _____

Update _____

Discussion _____ X

Action _____

MPAC Target Meeting Date: November 10, 2010

Amount of time needed for:

Presentation 5 min

Discussion 20 min

Purpose/Objective (what do you expect to accomplish by having the item on *this meeting's* agenda):

(e.g. to discuss policy issues identified to date and provide direction to staff on these issues)

To discuss the Chief Operating Officer and MTAC recommendations for changes to Housing Capacity (Title 1 of the Urban Growth Management Functional Plan)

Action Requested/Outcome (What action do you want MPAC to take at *this meeting*? State the *policy* questions that need to be answered.)

Make a recommendation to the Metro Council on adoption of Title 1 of the Urban Growth Management Functional Plan (Housing Capacity)

Background and context:

Metro staff have heard a number of concerns from local government staff about the existing Title 1 Requirements for Housing and Employment Accommodation – that it was time-consuming and staff intensive to produce an annual report on changes to housing and employment capacity as well as a biennial report on actual density of new residential density per net developed acre, that it was impossible to calculate an accurate employment number, that there was no consistency in how each local government calculated their zoned capacity, and that Table 1 was out-of-date because it did not include additions to the urban growth boundary or zone changes.

To address these concerns, the Chief Operating Officer included a recommendation as part of the Community Investment Strategy to revise Title 1 while continuing to implement the Regional Framework Plan policies of a compact urban form, efficient use of land, and a “fair-share” approach to meeting regional housing needs.

The proposed Title 1 draft moves to a “no net loss” approach for housing based on a project amendment basis, eliminates Table 1 and the need to calculate capacity city-wide, and eliminates the requirements for calculating and tracking job capacity. MTAC will complete their discussions and is scheduled to make a recommendation to MPAC at the November 3 MTAC meeting. A summary of their comments will be provided to MPAC.

What has changed since MPAC last considered this issue/item?

This will be first time MPAC discusses this issue.

What packet material do you plan to include? (must be provided 8-days prior to the actual meeting for distribution)

Housing Capacity Title 1 of the Urban Growth Management Functional Plan

What is the schedule for future consideration of item (include MTAC, TPAC, JPACT and Council as appropriate):

MPAC is scheduled to make a final recommendation to the Metro Council at the November 17 MPAC meeting on changes to the Urban Growth Management Functional Plan (Metro Code Chapter 3.07).

TITLE 1: HOUSING CAPACITY

3.07.110 Purpose and Intent

The Regional Framework Plan calls for a compact urban form and a “fair-share” approach to meeting regional housing needs. It is the purpose of Title 1 to accomplish these policies in areas of the region where housing is allowed. Title 1 directs each city and county to maintain or increase its capacity and to take action if necessary to accommodate its share of regional growth.

3.07.120 Housing Capacity

- A. Except as provided in this section, each city and county shall maintain or increase its total minimum zoned capacity for housing. Each city and county shall adopt a minimum dwelling unit density for each zoning district in which dwelling units are authorized except for districts that authorize mixed-use as defined in section 3.07.1010(rr). If a city or county has not adopted a minimum density for such a zoning district prior to March 16, 2011, the city or county shall adopt a minimum density that is at least 80 percent of the maximum density.

- B. A city or county that proposes to amend its land use regulations for a zoning district that allows dwelling units shall determine the effect of the proposed amendment, if any, on the minimum zoned housing capacity for the zoning district and report the effect to Metro with the notice of the proposed amendment required by section 3.07.820A. The minimum zoned capacity for a zoning district shall be determined as follows:
 - 1. If the city or county proposes to reduce the minimum dwelling unit density of a zoning district pursuant to subsection D, the minimum zoned capacity is the minimum density times the number of acres in the district;

 - 2. If the city or county proposes to revise development standards or criteria other than the minimum dwelling unit density pursuant to subsection E, the minimum zoned capacity is the minimum density times the number of acres in the district or for a zoning district that allows mixed-use, the actual density achieved in the district in the most recent five years or the years for which data are available. If no data are available for a district mixed-use district, the city or county may use data from similar districts in the region.

- C. A city or county may reduce the minimum zoned housing capacity of any zoning district, pursuant to subsections D, E or F upon a demonstration that:
1. The reduction would not reduce the minimum zoned housing capacity of the Central City or a Regional Center, Town Center, Corridor, Station Community or Main Street; and
 2. If the city or county proposes to increase capacity pursuant to subsections D or E, the increase is reasonably likely to be realized within the 20-year planning period of Metro's last capacity analysis under ORS 197.299.
- D. A city or county may reduce the minimum dwelling unit density in a zoning district that allows dwelling units if it:
1. Satisfies the criteria in subsection C; and
 2. Simultaneously increases the minimum dwelling unit density of another zoning district by an amount equal to or greater than the reduction in the reduction district; or
 3. Increases the minimum dwelling unit density of another zoning district in an amount equal to or greater than the proposed reduction and complete the reduction within two years of the increase.
- E. A city or county may revise development standards or criteria other than the minimum dwelling unit density if the revisions would have the effect of reducing the minimum zoned capacity of the district so long as the city or county:
1. Satisfies the criteria in subsection C; and
 2. Takes action to increase minimum zoned capacity of a zoning district that allows dwelling units simultaneously with the proposed revision; or
 3. Takes action to increase minimum zoned capacity of a zoning district that allows dwelling units prior to the proposed revision and complete the reduction within two years of the increase; and
 4. Increases minimum zoned capacity by its actions in an amount equal to or greater than the reduction.
- F. Notwithstanding subsections D and E, a city or county may reduce the minimum zoned housing capacity of a zoning district without increasing minimum zoned capacity for one or more of the following purposes:

1. To re-zone the area for industrial use and limit uses consistent with Title 4 of this chapter;
2. To protect natural resources pursuant to Titles 3 or 13 of this chapter; or
3. To allow a regionally significant educational or medical facility similar in scale to those listed in section 3.07.1340D(5)(i) of Title 13 of this chapter.



1333 N.W. Eastman Parkway
Gresham, Oregon 97030-3813
(503) 618-2306
Fax (503) 665-7692

October 26, 2010

Metro Policy Advisory Committee
Metro
600 NE Grand Avenue
Portland, Oregon 97232

RE: Proposed amendments to the Functional Plan

Colleagues:

While many of us have shared concerns and interests in the potential urban growth boundary expansions that are part of the Chief Operating Officer recommendation for the Community Investment Strategy, I am writing you to share my concerns about the proposed policy revisions to Title 1 (Housing Capacity) and Title 6 (Centers, Corridors, Station Communities and Main Streets) of the Functional Plan and the implications of these revisions to the daily work we all do.

Title 1 Housing Capacity: Title 1's purpose is to ensure a "fair-share" approach to housing and to ensure each jurisdiction maintains or increases its housing capacity. Proposed revisions seek to simplify the process of maintaining housing capacity by replacing a housing targets table with a "no net loss" policy.

One of the biggest benefits of the Title 1 table will be significantly curtailed by this policy change. Jurisdictions that have provided housing above the capacity target have been able to rely on the additional capacity when pursuing a downzone that enhances the community's livability. The revisions would allow this kind of "banking" but only for a period of two years after an upzoning. The time and staffing needs of a legislative process may extend beyond this horizon, thus making it untenable.

The "no net loss" approach also serves to continuously ratchet up the minimum housing capacity provided by a jurisdiction. This will ultimately cause an "unfair-share" approach to housing since those jurisdictions that already provide housing above the targets and those that intensify housing capacity will have increased minimum capacities that are out-of-scale with what their regional fair share actually is.

The proposed revisions would also require a jurisdiction to determine the effect on housing capacity of land use regulations in districts that allow residences. It is unclear what this determination would be. Gresham recently adopted design standards for multi-family housing. Would each standard need to be evaluated for its impact on capacity? This could be a substantial amount of work, and it is unclear what is gained through the process.

Title 6: Centers, Corridors, Station Communities and Main Streets

Title 6 is proposed to expand beyond Centers and Station Communities to include Corridors and Main Streets. It proposes linking regional investments administered by Metro to certain actions by a local jurisdiction in the geographies: adopting a boundary, developing an area assessment, and implementing a plan of action to realize the potential in the area. There are numerous policy issues with the proposed revisions. Some key issues are:

1. It is unclear what problem the revisions are trying to solve, and if the solution presented – to withhold investments until local jurisdictions comply – is viable. It is unclear what regional funds will be withheld until a jurisdiction complies with the Title 6 requirements of adopting a boundary, developing an assessment, and implementing a plan of action. It is unclear if a jurisdiction must comply before every funding cycle of every regional investment, or if the three steps are valid for a longer period of time.
2. Adopting a boundary, developing an assessment, and implementing a plan of action for each of these geographies takes significant time and staffing resources. According to the last Metro Compliance Report, all jurisdictions comply with boundary adoption. It is unclear why this task is required again.
3. The proposed assessment requirements include assessing physical and market conditions of the area and the physical, regulatory and development code barriers and role of existing and potential incentives to mixed-use, pedestrian friendly and transit supportive development. It then requires that jurisdictions adopt revisions to comprehensive plans and land use regulations to implement the assessment. This includes adopting land use regulations that allow a mix and intensity of land uses that are specified in the revised Title 6. It is unclear what the expected scale of effort by jurisdictions is and how Metro will determine compliance. Metro staff has stated that a handbook will be developed but without understanding how the proposal will effect local decisions and resources this is a problematic approach.
4. Metro jurisdictions already implement Region 2040 and strive to have walkable, transit supportive communities. Some communities, like Gresham, have already done the three steps required in the proposed Title 6 but it is unclear if our previous work will be recognized as complying. Metro staff has stated a handbook will be developed to provide guidance on how to recognize work previously accomplished. However, without the assurance that our prior work will be recognized, we remain uncomfortable with this response.

In summary, it is unclear what the proposed revisions to Titles 1 and 6 are trying to solve, and if the solution presented will be successful. There is no imperative to adopt revisions as part of the broader recommendation on the Community Investment Strategy. I recommend we postpone action until the policy and technical questions are answered. Gresham's previous correspondence detailing policy and technical issues with these two titles is attached.

Thank you for your consideration of these matters.

Sincerely,



Shane T. Bemis
Mayor



CITY OF GRESHAM

Urban Design & Planning

1333 N.W. Eastman Parkway
Gresham, Oregon 97030-3825

MIKE ABBATÉ

Director
503-618-2378
FAX: 503-669-1376

COMMUNITY REVITALIZATION

503-618-2818
FAX: 503-669-1376

COMPREHENSIVE PLANNING

503-618-2235
FAX: 503-669-1376

DEVELOPMENT PLANNING

503-618-2842
FAX: 503-669-1376

E-MAIL:

first.last@GreshamOregon.gov

October 5, 2010

Robin MacArthur
Metro
600 NE Grand Avenue
Portland, OR 97232

RE: Proposed amendments to the Function Plan

Robin,

Thank you for the opportunity to review the recommended capacity ordinance provided by Chief Operating Officer Michael Jordan and subsequent revisions presented by Metro staff. The recommendation includes numerous policy changes and proposed modifications to the Urban Growth Management Functional Plan. Gresham has concerns about the proposed revisions. **At this time, Gresham cannot support these proposed revisions moving forward.**

Title 1. The revisions to Title 1 seek to eliminate the jobs capacity portion, shift to a 'no net loss' of housing capacity, and simplify the process. Metro staff attorney Dick Benner sent out a version of Title 1 on September 21, 2010. We sent some comments via email September 28 regarding this revision, which are attached. The latest version of Title 1 in the MTAC packet demonstrates that none of Gresham's concerns are addressed. There is nothing in the packet that demonstrates what kind of consideration these comments were provided, if any, and why they were not incorporated. The email to Dick Benner is attached.

Title 6: Title 6 is proposed to be expanded beyond Centers and Station Communities to include Corridors and Main Streets. It proposes to link regional investments to certain actions by a local jurisdiction in these geographies: adopting a boundary, developing an area assessment, and implementing a plan of action to realize the potential in the area. Gresham concerns with the title are shown in the attachment on Title 6.

Thank you for the opportunity to share concerns. I look forward to working with you to ensure these concerns are addressed.

Cordially,

Jonathan Harker, AICP
Long Range Planning Manager

CC: Ron Papsdorf, Government Relations Manager
Mike Abbate, Urban Design & Planning Director
Stacy Humphrey, Associate Planner

Att.

From: Humphrey, Stacy
Sent: Tuesday, September 28, 2010 12:50 PM
To: 'Richard Benner'
Cc: Harker, Jonathan
Subject: RE: Title 1, Housing capacity

Hi Dick,

Thank you for the opportunity to review revisions to Title 1. I appreciate that some of Gresham's concerns have been heard and incorporated. I believe you stated at a recent MTAC meeting that Title 1 modifications are not critical to the rest of the capacity ordinance and can be handled at a future date. I would recommend that we handle Title 1 at a later date. I have many concerns about this language and I'm not sure they can be addressed in the time allocated for the capacity ordinance. Below are my concerns and questions.

1. From the materials provided, I am still uncertain on what the problem is that we are trying to solve. Why is a capacity calculation needed? Aren't all jurisdictions implementing the 2040 plan?
2. The purpose statement talks about a "fair share" approach to housing. Why is this phrase in quotes? This part of the purpose statement is not continued elsewhere in the Code. Is there really a way to ensure a "fair share" approach? As presented, it seems that "fair share" is where the region is today.
3. While I am not sure why we need to calculate capacity, I have questions about what is stated. For example:
 - a. 3.7.120.A talks about zoning districts. Does this mean that the calculation would only apply for actions modifying zoning districts and not actions affecting a single tax lot? The same question comes up on 3.07.120B.
 - b. 3.07.120.A.1 lists geographies where housing capacity cannot be reduced. Are these the design types? The geographies are those in a proposed/expanded Title 6.
 - c. 3.07.120.A.3, who makes the judgment on what is "reasonably likely"? What does "reasonably likely" mean?
 - d. 3.07.120.B.2 – what does "complete" mean? Does this mean it is approved? The appeal period has ended?
 - e. 3.07.120.B.2 includes the "banking" that we discussed. While this addresses the concern I voiced, I'm not sure it does all it needs to do. As written, this version of Title 1 assumes that every jurisdiction is moving forward for this moment in time and may only increase capacity. There may be legacy issues that a jurisdiction would like to address (as Gresham did with the Residential Districts Review) to ensure the community is a great place.
 - f. 3.07.120.E talks about determining the effect of a proposed land use regulation on capacity. Would this need to occur for every proposed regulation? Gresham recently adopted multi-family design standards. This includes information on materials, facade composition, landscaping, etc. How would an analysis look for this kind of land use regulation? This could end up being an extraordinary amount of work. What will Metro do with it?
 - g. 3.07.120.E also introduces acres into the calculation (not in the existing Title 1). Can this be clarified to net acres?

- h. How would capacity be calculated for an area where housing is allowed as a secondary use? We have some districts where housing is allowed only as part of a mixed-use development.
- i. With 3.07.120.F – how does this work in light of Title 11 planning? It is conceivable that an area may allow residences while in the County, but Title 11 planning anticipates it being commercial with no allowance for residential. F suggests this could not occur because it would lower capacity.
- j. 3.07.120.G – something is missing after the word “shall”. Also, would actions done as part of Title 11 be better located in Title 11? Does G allow for refinement of the design types applied at the time of UGB expansion?

Thank you for the opportunity to review the proposed language. Please give me a call if I can clarify anything or provide additional thoughts.

Brightly,

Stacy Humphrey, AICP

Urban Design & Planning

(p) 503.618.2202

Stacy.Humphrey@GreshamOregon.gov

www.greshamoregon.gov

From: Richard Benner [mailto:Richard.Benner@oregonmetro.gov]

Sent: Tuesday, September 21, 2010 3:51 PM

To: Armstrong, Tom; brent curtis (brent_curtis@co.washington.or.us); Julia Hajduk; Humphrey, Stacy; katie mangle (manglek@ci.milwaukie.or.us)

Cc: Sherry Oeser; Brian Harper; Ray Valone; Ted Reid; Christina Deffebach

Subject: Title 1, Housing capacity

Here is a revised version of Title 1 responding to comments from the MTAC meeting of 9/15. Notable changes from the MTAC version are highlighted in yellow:

It's shorter!

Drops the requirement that each city and county calculate its total minimum zoned housing capacity and report it to Metro.

Allows non-simultaneous changes in capacity: can “bank” an upzone for two years.

Drops the process for sending capacity to another city or county (current 3.07.150) (never used).

Drops the “may not prohibit the partition or subdivision of a lot or parcel” at least twice the minimum size (current 3.07.140B).

Modifies the purpose statement.

This is on the MTAC agenda for October 6. Please send me your comments as soon as you can so we can make revisions before sending it to full MTAC.

Proposed Title 6	Comments from Gresham
<p>Exhibit G of Ordinance No. 10-1244 TITLE 6: CENTERS, CORRIDORS, STATION COMMUNITIES AND MAIN STREETS</p> <p>3.07.610 Purpose The Regional Framework Plan (RFP) identifies Centers, Corridors, Main Streets and Station Communities throughout the region and recognizes them as the principal centers of urban life in the region. Title 6 calls for actions and investments by cities and counties, complemented by regional investments, to enhance this role. A regional investment is an investment in a new high-capacity transit line or designated a regional investment in a grant or funding program administered by Metro or subject to Metro's approval.</p>	<p><i>There is no clarity in this section about what a regional investment is. Some funding programs that come to mind are MTIP, CET, Nature in the Neighborhoods, Open Space Bond Local Share, and TOD. Are these the types of funding contemplated in this section? Is there evidence that these programs do not support the design types in Title 6? Can Metro provide evidence that that these programs' criteria are not working, or that all these programs must support Title 6 land?</i></p> <p><i>It is unclear what problem exists that these revisions are trying to solve, and why holding investments pending local action is a solution.</i></p>
<p>3.07.620 Actions and Investments in Centers, Corridors, Station Communities and Main Streets</p> <p>A. In order to be eligible for a regional investment in a Center, Corridor, Station Community or Main Street, or a portion thereof, a city or county shall take the following actions:</p> <p>1. Establish a boundary for the Center, Corridor, Station Community or Main Street, or portion thereof, pursuant to subsection B;</p> <p>2. Perform an assessment of the Center, Corridor, Station Community or Main Street, or portion thereof, pursuant to subsection C; and</p>	<p><i>There is nothing in Title 6 that clarifies that regional investments may be available to a local government in order to do the work outlined in the Title.</i></p> <p><i>There is no clear process specified for how Metro will recognize work previously accomplished by a local government. Requiring cities to do this work again will detract jurisdictions from the business of responding to development interests and economic development.</i></p> <p><i>The last compliance report – 2004 – shows all jurisdictions comply with Title 3.07.130, which requires them to adopt boundaries for design types. Why is this requirement needed? Does Metro simply need the shape files from local governments?</i></p> <p><i>As assessment like this (as describe below) is both time consuming and costly. For example the 2007 assessment of Downtown Gresham (part of the Regional Center) was partially funded by TGM at about \$90,000. 0.5 FTE was dedicated to the project. Other city staff and regional partners (i.e. TriMet) were involved. Gresham has three centers and nine corridors. To do a new assessment for all these geographies could take many years and large sums of funding.</i></p>

Proposed Title 6	Comments from Gresham
<p>3. Adopt a plan of actions and investments to enhance the Center, Corridor, Station Community or Main Street, or portion thereof, pursuant to subsection D.</p> <p>B. The boundary of a Center, Corridor, Station Community or Main Street, or portion thereof, shall:</p> <ol style="list-style-type: none"> 1. Be consistent with the general location shown in the RFP except, for a proposed new Station Community, be consistent with Metro's land use final order for a light rail transit project; 2. For a Corridor with existing high-capacity transit service, include at least those segments of the Corridor that pass through a Regional Center or Town Center; 3. For a Corridor designated for future high-capacity transit in the Regional Transportation Plan (RTP), include the area identified during the system expansion planning process in the RTP; and 4. Be adopted and may be revised by the city council or county board following notice of the proposed boundary action to the Oregon Department of Transportation and Metro in the manner set forth in subsection A of section 3.07.820 of this chapter. <p>C. An assessment of a Center, Corridor, Station Community or Main Street, or portion thereof, shall analyze the following:</p>	<p><i>Moving from an assessment to a plan of action is typically a legislative process with public participation, notice, and hearing requirements. Best planning practices would require the development of goal creation, creating and evaluating alternatives, choosing a preferred alternative, etc. This is a significant commitment of resources and time.</i></p> <p><i>What is "Metro's land use final order for a light rail transit project"? When talking about a proposed new Station Community – who is it proposed by?</i></p> <p><i>What is this supposed to mean? The Blue Line passes through Rockwood Town Center and the Gresham Regional Center. Both centers have zoning designations that support the line. Is there evidence that some jurisdictions do not have appropriate zoning along these lines? If there is no evidence, then why have this statement?</i></p> <p><i>What is 3 trying to get at? What is meant by "system expansion planning process in the RTP"?</i></p> <p><i>What does 'adopted' mean in this context? Is a resolution sufficient? Does it need to be by ordinance? Isn't this already done since all jurisdictions comply with the mapping requirement in 3.07.130? Is the specification of a boundary a land use action? Why is the requirement to provide ODOT notice here? Local governments make the determination when sending out notice which affected agencies should receive notice. If Metro believes it is important to notice ODOT, then the code should obligate Metro to do this notice.</i></p> <p><i>As stated previously, an assessment can be a tremendous effort in terms of staffing and financial resources. While the practices described in this section are good practices, it is unclear what the ultimate goal of this work is. Most likely, all jurisdictions have taken action to make Title 6 geographies pedestrian friendly, mixed-use and supportive of transit.</i></p> <p><i>How frequently does an assessment need to be updated? Does it need to be refreshed for every funding cycle of each regional investment? How detailed does this study need to be? How will Metro evaluate it?</i></p>

Proposed Title 6	Comments from Gresham
<p>1. Physical and market conditions in the area;</p> <p>2. Physical and regulatory barriers to mixed-use, pedestrian-friendly and transit-supportive development in the area;</p> <p>3. The city or county development code that applies to the area to determine how the code might be revised to encourage mixed-use, pedestrian-friendly and transit-supportive development;</p> <p>4. Existing and potential incentives to encourage mixed-use pedestrian-friendly and transit-supportive development in the area; and</p> <p>5. For Corridors and Station Communities in areas shown as Industrial Area or Regionally Significant Industrial Area under Title 4 of this chapter, barriers to a mix and intensity of uses sufficient to support public transportation at the level prescribed in the RTP.</p> <p>D. A plan of actions and investments to enhance the Center, Corridor, Station Community or Main Street shall consider the assessment completed under subsection C and include at least the following elements:</p> <p>1. Actions to eliminate, overcome or reduce regulatory and other barriers to mixed-use, pedestrian-friendly and transit-supportive development;</p> <p>2. Revisions to its comprehensive plan and land use regulations, if necessary, to allow:</p> <p>i. In Regional Centers, Town Centers, Station Communities and Main Streets, the mix and intensity of uses specified in section 3.07.640; and</p>	<p><i>These conditions change over time. Can this requirement be satisfied by a study done a decade ago? Five years ago?</i></p> <p><i>Physical barriers are typically identified in a local TSP or CIP. The way this is written assumes that there are regulatory barriers to such development. There may not be any.</i></p> <p><i>The way this is written assumes that a local jurisdiction has not already done this work for all the geographies. Gresham has done this work and continuously makes sure that the Development Code works as anticipated.</i></p> <p><i>This is open-ended. How many incentives need to be provided to meet this requirement? Gresham is currently waiving fees to support developments – is this enough? Why does Metro need to know this? What will Metro do with this information?</i></p> <p><i>How can a mix of uses occur in corridors through Industrial Areas and Regionally Significant Industrial Areas? These design types purposefully limit a mix of uses in order to maintain the land for industrial purposes. Aren't they a barrier? What other barriers does Metro believe may exist?</i></p> <p><i>When these two design types overlap, isn't the Title 4 land the dominant type?</i></p> <p><i>How do previous actions such as adopting an urban renewal area get recognized through this requirement?</i></p> <p><i>Many barriers are outside the control of a local jurisdiction (i.e. financing, lending). If a local jurisdiction cannot eliminate such barriers, does that mean they cannot comply with this Title? Also, it is possible that a local government does not have any regulatory barriers. Are there examples Metro can point to that demonstrate regulatory barriers in this region?</i></p> <p><i>This section requires this mix of uses. Later, this mix of uses is recommended, not required. This section should say this mix of uses is recommended so that the local government remains the decision maker. Also, the</i></p>

Proposed Title 6	Comments from Gresham
<p>ii. In Corridors and those Station Communities in areas shown as Industrial Area or Regionally Significant Industrial Area in Title 4 of this chapter, a mix and intensity of uses sufficient to support public transportation at the level prescribed in the RTP;</p> <p>3. Public investments and incentives to support mixed-use pedestrian-friendly and transit-supportive development; and</p> <p>4. A plan to achieve the non-SOV mode share targets adopted by the city or county pursuant to section 3.08.230 of the Regional Transportation Functional Plan (RTFP) that includes:</p> <p>i. The transportation system designs for streets, transit, bicycles and pedestrians consistent with Title 1 of the RTFP;</p> <p>ii. A transportation system or demand management plan consistent with section 3.08.160 of the RTFP; and</p> <p>iii. A parking management program consistent with section 3.08.410 of the RTFP.</p> <p>E. A city or county that has completed all or some of the requirements of subsections B, C and D may seek recognition of that compliance from Metro by written request to the Chief Operating Officer (COO).</p> <p>F. Compliance with the requirements of this section is not a prerequisite to:</p> <p>1. Investments in Centers, Corridors, Station Communities or Main Streets that are not regional investments; or</p> <p>2. Investments in areas other than Centers, Corridors, Station Communities and Main Streets.</p>	<p><i>document in section 3.07.640 is not adopted by any finding. What standing does it have?</i></p> <p><i>It is unclear how a mix of uses is viable in these design types. They specifically limit uses to ensure the land is available for industrial applications.</i></p> <p><i>What is needed to demonstrate this? Can a jurisdiction indicate it has an urban renewal district and a vertical housing development zone and comply? Why is it necessary to articulate all the local efforts?</i></p> <p><i>Items in #4 are typically done as part of a TSP. Why does this need to be in Title 6? Do all jurisdictions need a current TSP to have access to regional investments? At what point is a TSP considered "too old" to meet this requirement?</i></p> <p><i>It is unclear how Metro will respond to this. What are Metro's obligations under this section? What is the time frame for a response from Metro? What form will it take?</i></p> <p><i>F seems to say there are Metro funding programs that are not regional funding programs that a local government can use without meeting Title 6. What are these?</i></p> <p><i>Does this mean that a local jurisdiction can pursue a regional investment for other geographies even if the jurisdiction is not in compliance with Title 6?</i></p> <p><i>Can a facility that goes through a Title 6 geography such as the Springwater Trail be eligible for regional investments if a jurisdiction does not comply with Title 6?</i></p>

Proposed Title 6	Comments from Gresham
<p data-bbox="66 237 753 302">3.07.630 Eligibility Actions for Lower Mobility Standards and Trip Generation Rates</p> <p data-bbox="66 338 764 541">A. A city or county is eligible to use the higher volume-to-capacity standards in Table 7 of the 1999 Oregon Highway Plan when considering an amendment to its comprehensive plan or land use regulations in a Center, Corridor, Station Community or Main Street, or portion thereof, if it has taken the following actions:</p> <ol data-bbox="66 573 704 743" style="list-style-type: none"> <li data-bbox="66 573 704 638">1. Established a boundary pursuant to subsection B of section 3.07.620; and <li data-bbox="66 674 691 743">2. Adopted land use regulations to allow the mix and intensity of uses specified in section 3.07.640. <p data-bbox="66 774 781 1010">B. A city or county is eligible for an automatic reduction of 30 percent below the vehicular trip generation rates reported by the Institute of Traffic Engineers when analyzing the traffic impacts, pursuant to OAR 660-012-0060, of a plan amendment in a Center, Corridor, Main Street or Station Community, or portion thereof, if it has taken the following actions:</p> <ol data-bbox="66 1041 781 1713" style="list-style-type: none"> <li data-bbox="66 1041 704 1106">1. Established a boundary pursuant to subsection B of section 3.07.620; <li data-bbox="66 1142 781 1245">2. Revised its comprehensive plan and land use regulations, if necessary, to allow the mix and intensity of uses specified in section 3.07.640; and <li data-bbox="66 1276 773 1413">3. A plan to achieve the non-SOV mode share targets adopted by the city or county pursuant to section 3.08.230 of the Regional Transportation Functional Plan (RTFP) that includes: <ol data-bbox="66 1444 781 1713" style="list-style-type: none"> <li data-bbox="66 1444 781 1514">i. Transportation system designs for streets, transit, bicycles and pedestrians consistent with Title 1 of the RTFP; <li data-bbox="66 1545 737 1614">ii. A transportation system or demand management plan consistent with section 3.08.160 of the RTFP; and <li data-bbox="66 1646 773 1713">iii. A parking management program consistent with section 3.08.510 of the RTFP. 	<p data-bbox="800 233 1276 260"><i>No comments on this section at this time.</i></p>

Proposed Title 6	Comments from Gresham
<p>3.07.640 Activity Levels for Centers, Corridors, Station Communities and Main Streets</p> <p>A. Centers, Corridors, Station Communities and Main Streets need a critical number of residents and workers to be vibrant and successful. The following average number of residents and workers per acre is recommended for each:</p> <ol style="list-style-type: none"> 1. Central City - 250 persons 2. Regional Centers - 60 persons 3. Station Communities - 45 persons 4. Corridors - 45 persons 5. Town Centers - 40 persons 6. Main Streets - 39 persons <p>B. Centers, Corridors, Station Communities and Main Streets need a mix of uses to be vibrant and walkable. The following mix of uses is recommended for each:</p> <ol style="list-style-type: none"> 1. The land uses listed in <i>State of the Centers: Investing in Our Communities</i>, January, 2009, such as grocery stores and restaurants; 2. Institutional uses, including schools, colleges, universities, hospitals, medical offices and facilities; 3. Civic uses, including government offices open to and serving the general public, libraries, city halls and public spaces. <p>C. Centers, Corridors, Station Communities and Main Streets need a mix of housings types to be vibrant and successful. The following mix of housing types is recommended for each:</p> <ol style="list-style-type: none"> 1. The types of housing listed in the “needed housing” statute, ORS 197.303(1); 2. The types of housing identified in the city’s or county’s housing need analysis done pursuant to ORS 197.296 or statewide planning Goal 10 (Housing); and 3. Accessory dwellings pursuant to section 3.07.120 of this chapter. 	<p><i>In this section, the list of uses is identified as “recommended”. Previously, this list is identified as required.</i></p> <p><i>2 and 3 are not a bad list of uses, but it may not be reasonable to think that every Title 6 geography can support a college, a hospital, and various civic uses. The ability to site these facilities depends on local conditions.</i></p>

Proposed Title 6	Comments from Gresham
<p data-bbox="66 237 781 300">3.07.650 Centers, Corridors, Station Communities and Main Streets Map</p> <p data-bbox="66 338 781 674">A. The Centers, Corridors, Station Communities and Main Streets Map is incorporated in this title and is Metro's official depiction of their boundaries. The map shows the boundaries established pursuant to this title and boundaries established prior to January 1, 2011. Until a local government has established a boundary by action of its elected officials, the map will depict the approximate locations of Centers, Corridors, Station Communities and Main Streets shown on the 2040 Growth Concept Map in the Regional Framework Plan (RFP).</p> <p data-bbox="66 709 781 905">B. A city or county may revise the boundary of a Center, Corridor, Station Community or Main Street so long as the boundary is consistent with the general location on the 2040 Growth Concept Map in the RFP. The city or county shall provide notice of its proposed revision as prescribed in subsection B of section 3.07.620.</p> <p data-bbox="66 940 781 1073">C. The COO shall revise the Centers, Corridors, Station Communities and Main Streets Map by order to conform the map to establishment or revision of a boundary under this title.</p>	<p data-bbox="797 331 1503 533"><i>As stated previously, all jurisdictions are in compliance with 3.07.130 regarding boundary adoption. There should be no need to adopt a new boundary. Gresham will be providing Metro a letter showing these adoptions and maps demonstrating the area. We presume Metro will update the Title 6 map accordingly.</i></p> <p data-bbox="797 701 1463 835"><i>Is the notice described in this section different than the notice described in Title 8? If not, there is no need to include it here. What is Metro obligated to do once they receive this notice?</i></p> <p data-bbox="797 936 1503 1100"><i>What is the time frame anticipated for map updates? There are other planning actions Gresham has taken in the past five years that have yet to be reflected in Metro's mapping (i.e. Springwater Title 11 planning is not reflected on the Regional 2040 map)</i></p>



To: MTAC

From: Sherry Oeser, Planning and Development Services

Subject: Response to City of Gresham Regarding Title 6 changes

Date: October 26, 2010

The City of Gresham recently sent a letter which was included in last week's MTAC agenda packet with questions concerning Title 6 (Centers, Corridors, Station Communities, and Main Streets) of the Urban Growth Management Functional Plan. This memo responds to those questions and is being sent to all MTAC members and alternatives.

The existing version of Title 6 required local governments to develop a strategy to enhance all centers by December 2007 and to submit progress reports to Metro every two years. Only one local government developed a strategy for its center. This approach has not been effective in encouraging center development. An MTAC subcommittee on Title 6 spent considerable time earlier this year discussing possible revisions to Title 6. The subcommittee included staff from several local governments, the Department of Land Conservation and Development, Oregon Department of Transportation, and TriMet. MTAC itself reviewed Title 6 on several occasions between May through October. Title 6 was also reviewed by the Transportation Policy Advisory Committee.

The changes to Title 6 are intended to:

- Align local and regional investments to support local aspirations in centers, corridors, station communities and main streets
- Reflect a desire to focus development in all centers (central city, regional and town centers, and station communities) as well as along corridors and main streets
- Better link land use and transportation to support mixed-use, pedestrian-friendly, and transit-supportive development
- Provide incentives to local governments that adopt a plan of actions and investments to enhance their center, corridor, station community, or main street. The incentives include:
 - Eligibility for a regional investment,
 - Ability to use a higher volume-to-capacity standard under the Oregon Highway Plan, and
 - Eligibility for an automatic 30 percent trip reduction credit under the Transportation Planning Rule
- Address the problems that transportation impacts have on achieving mixed-use, pedestrian-friendly, and transit-supportive development

The City of Gresham questions are presented below and are followed by a response from Metro staff.

Section 3.07.610 Purpose:

Question 1: There is no clarity in this section about what a regional investment is. Some funding programs that come to mind are MTIP, CET, Nature in Neighborhoods, Open Space Bond Local Share, and TOD. Are these the types of funding contemplated in this section? Is there evidence that these programs do not support the design types in Title 6? Can Metro provide evidence that that these programs' criteria are not working, or that all these

programs must support Title 6 land? Is it unclear what problem exists that these revisions are trying to solve, and why holding investments pending local action is a solution.

Response: Title 6 implements the Regional Framework Plan policies on enhancing centers and setting centers as a priority for investment (See current RFP policy 1.16 or proposed new RFP policy 1.2) and seeks to encourage development in centers and station communities. Since Title 6 was adopted, however, development in centers has not achieved the results originally anticipated. A key reason why centers are not developing is because local governments do not have sufficient funds available for public works or other investments or have policies that create barriers to development. The Chief Operating Officer is recommending that the approach to center development be changed to an incentive approach, that Title 6 be expanded to include corridors and main streets where significant revitalization opportunities exist, and that investments of regional dollars be made strategically in areas that are ready for such investments to have the most impact. As stated in Title 6, funding for High Capacity Transit is a regional investment. For other programs, Metro will work with our regional partners to ensure the criteria meet the goals of Title 6 but do not inadvertently create a barrier to achieving mixed-use, pedestrian-friendly and transit-supportive development in centers, corridors, station communities, and mains streets.

3.07.620 Actions and Investments in Centers, Corridors, Station Communities and Main Streets:

Question 2: There is nothing in Title 6 that clarifies that regional investments may be available to a local government in order to do the work outlined in the Title. As assessment like this (as described) is both time consuming and costly. For example the 2007 assessment of Downtown Gresham (part of the Regional Center) was partially funded by TGM at about \$90,000. 0.5 FTE was dedicated to the project. Other city staff and regional partners (i.e. TriMet) were involved. Gresham has three centers and nine corridors. To do a new assessment for all these geographies could take many years and large sums of funding. Additionally, there is no clear process specified for how Metro will recognize work previously accomplished by a local government. Requiring cities to do this work again will detract jurisdictions from the business of responding to development interests and economic development.

Response: It is not the intent of this provision to require local governments to conduct a new assessment if one has already been completed relatively recently. Metro staff will review any assessments to determine if they meet the requirements of Title 6. Metro understands that work required by Title 6 can be costly and requires local jurisdictions to seek multiple funding options. In the past, Metro provided technical or funding to assist local jurisdictions.

Question 3: What is "Metro's land use final order for a light rail transit project"?

Response: Metro staff work with local government staff in determining the Locally Preferred Alternative. The Metro Council adopts the Land Use Final Order, following receipt of an application from TriMet. This is probably not an issue for Gresham, unless a new light rail project is proposed for Gresham and state law authorizes it.

Question 4: What is meant by "system expansion planning process in the RTP"?

Response: The System Expansion Planning process (SEP) was established in the recently adopted High Capacity Transit (HCT) System Plan, which is considered one part of the recently adopted Regional Transportation Plan (RTP). The SEP is a set of guidelines that is meant to help local jurisdictions gain a better understanding of what measurable steps are needed to advance previously identified HCT lines, ultimately, into the highest tier of the plan thus making them eligible for a regional investment in a new HCT line. The HCT Plan currently places existing HCT corridors into one of four tiers, which indicates which lines are most “ripe” for new transit investment.

Question 5: What does ‘adopted’ mean in the context of establishing boundaries for Centers, Corridors, Main Streets, and Station Communities? Is a resolution sufficient? Does it need to be by ordinance? Isn’t this already done since all jurisdictions comply with the mapping requirement in 3.07.130? Is the specification of a boundary a land use action?

Response: “Adopted” means a formal action by a governing body. Local jurisdictions may be in compliance with previous requirements of the UGMFP, such as Title 1, concerning the delineation of a boundary. However, new requirements proposed by Title 6, including the official adoption of Center, Corridor, Main Street and Station Community boundaries would be required to be officially adopted by each jurisdiction that wished to be eligible for a regional investment. Many jurisdictions proposed “analysis boundaries” for their centers, but never officially adopted boundaries by their governing body. Some local jurisdictions did officially adopt boundaries in their approved comprehensive plans. Those jurisdictions will be given credit for official adoption of boundaries going forward. It is important to adopt the boundaries to know which areas are eligible for the incentives.

Question 6: How frequently does an assessment need to be updated? Does it need to be refreshed for every funding cycle of each regional investment? How detailed does this study need to be? How will Metro evaluate it?

Response: These are details that deal primarily with implementation of Title 6 and that will need to be worked out in consultation with local jurisdictions as guidelines are developed in 2011. The assessment should be detailed enough to help each local jurisdiction identify priorities, investments and possible policy actions.

Question 7: Section 3.07.620.D is open-ended. How many incentives need to be provided to meet this requirement? Gresham is currently waiving fees to support developments – is this enough? Why does Metro need to know this? What will Metro do with this information?

Response: Metro seeks to understand the tools and techniques used by our local partners and how well they work to promote mixed-use, pedestrian-friendly, and transit-supportive developments in order to assist local jurisdictions in achieving their local aspirations through a mix of investments and policy decisions. The best way to understand the success of a jurisdiction is to have a comprehensive understanding of how it is tackling its problems with revitalization and redevelopment in its centers, corridors, station communities, and main streets. Since each of these is unique and needs its own special mix of investments and policies, there is no hard and fast number of incentives needed to meet the requirement of a plan of action because each center has its own needs. Metro will review each plan on a case-by-case basis.

Question 8: Per Section 3.07.620.D.2.b, how can a mix of uses occur in corridors through Industrial Areas and Regionally Significant Industrial Areas? These design types purposefully limit a mix of uses in order to maintain the land for industrial purposes. Aren’t they a barrier?

Response: A mix of uses could include employment areas that provide services, such as restaurants and banks, to industrial areas. Corridors are key areas providing transit service to serve the employment areas. The MTAC Title 6 subcommittee discussed this issue and concluded that it is up to the local government to map the boundary for a corridor and decide which part of the corridor is included.

Question 9: Many barriers are outside the control of a local jurisdiction (i.e. financing, lending). If a local jurisdiction cannot eliminate such barriers, does that mean they cannot comply with this Title? Also, it is possible that a local government does not have any regulatory barriers. Are there examples Metro can point to that demonstrate regulatory barriers in this region?

Response: Metro works everyday with its local partners to help identify actions to eliminate regulatory and other barriers to mixed-use, pedestrian-friendly and transit-supportive development. The two Community Investment Toolkits that Metro produced in recent years (Financial Incentives and Innovative Design and Development Codes) are tools to help local jurisdictions overcome barriers. In addition, Metro has been able to work with individual jurisdictions to identify site specific barriers and potential ways to eliminate those barriers through work such as code audits and market analyses. Some barriers that have been identified are height limitations, lack of parking management plans and design approval processes. The intent is to assess what barriers may exist that are preventing development of mixed-use, pedestrian-friendly and transit-supportive development and seek innovative ways to overcome those barriers.

Question 10: Per Section 3.07.620.D.4, these items are typically done as part of a TSP. Why does this need to be in Title 6? Do all jurisdictions need a current TSP to have access to regional investments? At what point is a TSP considered "too old" to meet this requirement?

Response: Local jurisdiction TSPs are required to be in compliance with the most recently adopted RTP. The RTP is updated every five years, thus local jurisdictions are required to update their TSPs for compliance within each 5 year cycle to be considered in compliance with the Transportation Functional Plan. As part of the 2035 RTP adoption this year, a compliance chart was developed that sets out the deadline for each jurisdiction to update their TSP.

Question 11: Per Section 3.07.620.E [completion of requirements], it is unclear how Metro will respond. What is the timeframe for a response and what form will it take?

Response: These are details that will need to be worked out in consultation with local governments when the guidelines are developed in 2011. The intent is to help local governments become eligible for the incentives contained in Title 6.

Question 12: Can a local jurisdiction pursue a regional investment for other geographies even if the jurisdiction is not in compliance with Title 6?

Response: As proposed in Title 6, a regional investment applies only to a center, corridor, station community or main street. If the investment that the local jurisdiction is seeking does not fall into one of those design types, then the jurisdiction can pursue investments.

Question 13: Can a facility that goes through a Title 6 geography such as the Springwater Trail be eligible for regional investments if a jurisdiction does not comply with Title 6?

Response: As noted earlier, regional investments other than HCT will be determined in consultation with our local government partners and it has not yet been determined if funding for trails will be a regional investment. What Title 6 seeks to accomplish is mixed-use, pedestrian-friendly, transit-oriented development that supports centers, corridors, station communities and main streets.

3.07.640 Activity Levels for Centers, Corridors, Station Communities and Main Streets:

Question 14: Section 3.07.640.B.2 and 3 are not a bad list of uses, but it may not be reasonable to think that every Title 6 geography can support a college, a hospital, and various civic uses. The ability to site these facilities depends on local conditions.

Response: Clearly not all areas are going to support each of the listed land uses. The intent is to provide a combination of the uses listed to achieve the critical number of residents and workers listed in paragraph A of 3.07.640. Each center, corridor, station community, and main street will require its own unique combination of land uses to be successful. Research done by Metro, as well as its partner jurisdictions, has clearly shown that the listed uses have the most impact on the success of places throughout the region.

MPAC Worksheet

Agenda Item Title Report from the MPAC housing planning subcommittee

Presenter: Robert Liberty, Jack Hoffman

Contact for this worksheet/presentation: Ted Reid

Council Liaison Sponsor: Robert Liberty

Purpose of this item (check no more than 2):

Information _____
Update x
Discussion _____
Action x

MPAC Target Meeting Date: _November 10, 2010

Amount of time needed for:

Presentation 10

Discussion 5

Purpose/Objective

Update MPAC on work of the subcommittee and seek MPAC's recommendation on changes to Title 11.

Action Requested/Outcome

1. Should plans describe in detail the variety of housing types that are intended for a new urban area?
2. Should plans describe how the city would address housing needs in the prospective UGB expansion area, in the prospective governing city, and the region?
3. Should plans identify the types of housing that are likely to be built in the 20-year planning period and describe additional strategies to encourage the development of needed housing types that would otherwise not be built?
4. Does MPAC recommend that the Metro Council adopt the proposed changes to Title 11 (Planning for New Urban Areas)?

Background and context:

As part of the adoption of urban and rural reserves, the Metro Council revised the requirements for concept planning of urban reserves and comprehensive planning of UGB expansion areas. Both of these

topics are part of Title 11 of Metro's Urban Growth Management Functional Plan. The revisions require concept plans to be developed prior to UGB expansion decisions to better inform those decisions and to facilitate development once the UGB is expanded. During adoption, Metro Councilor Liberty suggested additional changes to Title 11 to add specificity on housing planning. The Council agreed to send the issue to MPAC for further discussion. Several MPAC members expressed interest in participating in a subcommittee charged with suggesting refinements to Title 11. Any changes recommended by MPAC could be adopted by Council as part of the Council's broader growth management decision in December 2010.

The subcommittee was charged with making recommendations to MPAC and the Metro Council about adding specificity to the housing planning requirements for both concept planning of urban reserves and comprehensive planning for UGB expansion areas. The subcommittee has met on five occasions.

What has changed since MPAC last considered this issue/item?

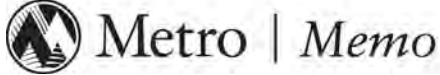
The subcommittee has met on five occasions and has agreed on a recommendation to MPAC. MTAC has had an opportunity to comment on an earlier version of revisions to Title 11.

What packet material do you plan to include?

Redline version of proposed changes to Title 11 and a memo from the subcommittee to MPAC that describes their recommendations in more general terms.

What is the schedule for future consideration of item?

The Metro Council will consider proposed changes to Title 11 as a part of the larger capacity ordinance on December 16, 2010.



Date: November 3, 2010

To: MPAC

From: *MPAC housing planning subcommittee:*
Metro Councilor Robert Liberty, chair
West Linn Councilor Jody Carson
Gresham Councilor Shirley Craddick
Portland Councilor Nick Fish
Beaverton Mayor Denny Doyle
Lake Oswego Mayor Jack Hoffman
Clackamas County Commissioner Charlotte Lehan
Hillsboro Mayor Jerry Willey

Re: Subcommittee recommendation on housing planning

Background

As part of the adoption of urban and rural reserves, the Metro Council revised the requirements for concept planning of urban reserves and comprehensive planning of UGB expansion areas. Both of these topics are part of Title 11 of Metro's Urban Growth Management Functional Plan. The revisions require concept plans to be developed prior to UGB expansion decisions to better inform those decisions and to facilitate development once the UGB is expanded. During adoption, Metro Councilor Liberty suggested additional changes to Title 11 to add specificity on housing planning. The Council agreed to send the issue to MPAC for further discussion. Several MPAC members expressed interest in participating in a subcommittee charged with suggesting refinements to Title 11. Any changes recommended by MPAC could be adopted by Council as part of the Council's broader growth management decision in December 2010.

Subcommittee charge

To make recommendations to MPAC and the Metro Council about adding specificity to the housing planning requirements for both concept planning of urban reserves and comprehensive planning for UGB expansion areas.

Subcommittee recommendations

In the course of developing its recommendations, the subcommittee discussed the fact that affordability must be addressed on multiple fronts, not just in UGB expansion areas. However, the subcommittee agreed to stick with its original charge, which was limited to developing greater specificity on how to plan for housing in UGB expansion areas.

The subcommittee recommends three principles to guide revisions to Title 11:

1. Plans should describe the variety of different housing types that are intended for the area.
2. Plans should describe how they would address housing needs in the prospective UGB expansion area, in the prospective governing city, and the region.
3. Plans should identify the types of housing that are likely to be built in the 20-year planning period and describe additional strategies to encourage the development of needed housing types that would otherwise not be built.

Using these three guiding principles, the subcommittee proposes several revisions to Title 11 that are shown in an attached redline version. In developing the proposed changes, the subcommittee has consulted with MTAC. The subcommittee requests that MPAC discuss the proposed changes and make a recommendation to the Metro Council to adopt changes to Title 11 that are in keeping with the above principles.

Exhibit Q to Ordinance No. 10-1244

TITLE 11: PLANNING FOR NEW URBAN AREAS

3.07.1105 Purpose and Intent

The Regional Framework Plan calls for long-range planning to ensure that areas brought into the UGB are urbanized efficiently and become or contribute to mixed-use, walkable, transit-friendly communities. It is the purpose of Title 11 to guide such long-range planning for urban reserves and areas added to the UGB. It is also the purpose of Title 11 to provide interim protection for areas added to the UGB until city or county amendments to land use regulations to allow urbanization become applicable to the areas.

3.07.1110 Planning for Areas Designated Urban Reserve

A. The county responsible for land use planning for an urban reserve and any city likely to provide governance or an urban service for the area, shall, in conjunction with Metro and appropriate service districts, develop a concept plan for the urban reserve prior to its addition to the UGB pursuant to Metro Code 3.01.015 and 3.01.020. The date for completion of a concept plan and the area of urban reserves to be planned will be jointly determined by Metro and the county and city or cities.

B. A concept plan shall achieve, or contribute to the achievement of, the following outcomes:

1. If the plan proposes a mix of residential and employment uses:
 - a. A mix and intensity of uses that will make efficient use of the public systems and facilities described in subsection C;
 - b. A development pattern that supports pedestrian and bicycle travel to retail, professional and civic services;
 - c. ~~Opportunities for a~~ range of needed housing types needed in the prospective UGB expansion area, the prospective governing city, and the region, -including ownership and rental housing; single-family and multi-family housing; and a mix of public, nonprofit and -private market housing with an option for households with incomes at or

below 80, 50 and 30 percent of median family incomes for the region;

- d. Sufficient employment opportunities to support a healthy economy, including, for proposed employment areas, lands with characteristics, such as proximity to transportation facilities, needed by employers;
 - e. Well-connected systems of streets, bikeways, parks ~~and other public open spaces, natural areas~~, recreation trails and public transit that link to needed housing so as to reduce the combined cost of housing and transportation;
 - f. A well-connected system of parks, natural areas and other public open spaces;
 - ~~f.g.~~ Protection of natural ecological systems and important natural landscape features;
 - ~~g.h.~~ Avoidance or minimization of adverse effects on farm and forest practices and important natural landscape features on nearby rural lands;
- or

2. If the plan involves fewer than 100 acres or proposes to accommodate only residential or employment needs, depending on the need to be accommodated:

- a. ~~Opportunities for a~~ range of ~~needed~~ housing ~~types needed in the prospective UGB expansion area, the prospective governing city, and the region, including ownership and rental housing; and single-family and multi-family housing; and a mix of public, nonprofit and private market housing with an option for households with incomes at or below 80, 50 and 30 percent of median family incomes for the region;~~
- b. Sufficient employment opportunities to support a healthy economy, including, for proposed employment areas, lands with characteristics, such as proximity to transportation facilities, needed by employers;
- c. Well-connected systems of streets, bikeways, pedestrian ways, parks, natural areas, recreation trails;
- d. Protection of natural ecological systems and important natural landscape features;
- e. Avoidance or minimization of adverse effects on farm and forest practices and important natural landscape features on nearby rural lands.

C. A concept plan shall:

1. Show the general locations of any residential, commercial, industrial, institutional and public uses proposed for the area with sufficient detail to allow estimates of the cost of the public systems and facilities described in paragraph 2;

2. For proposed sewer, park and trail, water and storm-water systems and transportation facilities, provide the following:

- a. The general locations of proposed sewer, park and trail, water and storm-water systems;
- b. The mode, function and general location of any proposed state transportation facilities, arterial facilities, regional transit and trail facilities and freight intermodal facilities;
- c. The proposed connections of these systems and facilities, if any, to existing systems;
- d. Preliminary estimates of the costs of the systems and facilities in sufficient detail to determine feasibility and allow cost comparisons with other areas;
- e. Proposed methods to finance the systems and facilities; and
- f. Consideration for protection of the capacity, function and safe operation of state highway interchanges, including existing and planned interchanges and planned improvements to interchanges.

3. If the area subject to the concept plan calls for designation of land for industrial use, include an assessment of opportunities to create and protect parcels 50 acres or larger and to cluster uses that benefit from proximity to one another;

4. If the area subject to the concept plan calls for designation of land for residential use, include strategies such as partnerships and incentives that increase the likelihood that needed housing types described in subsection B of this section will be market-feasible or provided by non-market housing developers within the 20-year UGB planning period;

5. Show water quality resource areas, flood management areas and habitat conservation areas that will be subject to performance

standards under Titles 3 and 13 of the Urban Growth Management Functional Plan;

| 56. Be coordinated with the comprehensive plans and land use regulations that apply to nearby lands already within the UGB;

| 67. Include an agreement between or among the county and the city or cities and service districts that preliminarily identifies which city, cities or districts will likely be the providers of urban services, as defined at ORS 195.065(4), when the area is urbanized;

| 78. Include an agreement between or among the county and the city or cities that preliminarily identifies the local government responsible for comprehensive planning of the area, and the city or cities that will have authority to annex the area, or portions of it, following addition to the UGB;

| 89. Provide that an area added to the UGB must be annexed to a city prior to, or simultaneously with, application of city land use regulations to the area intended to comply with subsection C of section 3.07.1120; and

| 910. Be coordinated with schools districts, including coordination of demographic assumptions.

D. Concept plans shall guide, but not bind:

1. The designation of 2040 Growth Concept design types by the Metro Council;
2. Conditions in the Metro ordinance that adds the area to the UGB; or
3. Amendments to city or county comprehensive plans or land use regulations following addition of the area to the UGB.

E. If the local governments responsible for completion of a concept plan under this section are unable to reach agreement on a concept plan by the date set under subsection A, then the Metro Council may nonetheless add the area to the UGB if necessary to fulfill its responsibility under ORS 197.299 to ensure the UGB has sufficient capacity to accommodate forecasted growth.

3.07.1120 Planning for Areas Added to the UGB

- A. The county or city responsible for comprehensive planning of an area, as specified by the intergovernmental agreement

adopted pursuant to 3.07.1110C(7) or the ordinance that added the area to the UGB, shall adopt comprehensive plan provisions and land use regulations for the area to address the requirements of subsection C by the date specified by the ordinance or by Metro Code 3.01.040(b)(4).

B. If the concept plan developed for the area pursuant to Section 3.07.1110 assigns planning responsibility to more than one city or county, the responsible local governments shall provide for concurrent consideration and adoption of proposed comprehensive plan provisions unless the ordinance adding the area to the UGB provides otherwise.

C. Comprehensive plan provisions for the area shall include:

1. Specific plan designation boundaries derived from and generally consistent with the boundaries of design type designations assigned by the Metro Council in the ordinance adding the area to the UGB;

2. Provision for annexation to a city and to any necessary service districts prior to, or simultaneously with, application of city land use regulations intended to comply with this subsection;

3. Provisions that ensure zoned capacity for the number and types of housing units, if any, specified by the Metro Council pursuant to Metro Code 3.01.040(b)(2);

4. ~~Provision for affordable housing consistent with Title 7 of the Urban Growth Management Functional Plan if if~~ If the comprehensive plan authorizes housing in any part of the area, provision for a range of needed housing types needed in the prospective UGB expansion area, the prospective governing city, and the region, including ownership and rental housing; single-family and multi-family housing; and a mix of public, nonprofit and private market housing with an option for households with incomes at or below 80, 50 and 30 percent of median family incomes for the region and implementing strategies that increase the likelihood that needed housing types will be market-feasible or provided by non-market housing developers within the 20-year UGB planning period;

5. Provision for the amount of land and improvements needed, if any, for public school facilities sufficient to serve the area added to the UGB in coordination with affected school districts.

This requirement includes consideration of any school facility plan prepared in accordance with ORS 195.110;

6. Provision for the amount of land and improvements needed, if any, for public park facilities sufficient to serve the area added to the UGB in coordination with affected park providers.

7. A conceptual street plan that identifies internal street connections and connections to adjacent urban areas to improve local access and improve the integrity of the regional street system. For areas that allow residential or mixed-use development, the plan shall meet the standards for street connections in the Regional Transportation Functional Plan;

8. Provision for the financing of local and state public facilities and services; and

9. A strategy for protection of the capacity and function of state highway interchanges, including existing and planned interchanges and planned improvements to interchanges.

D. The county or city responsible for comprehensive planning of an area shall submit a determination of the residential capacity of any area zoned to allow dwelling units, using the method in section 3.07.120, to Metro within 30 days after adoption of new land use regulations for the area.

3.07.1130 Interim Protection of Areas Added to the UGB

Until land use regulations that comply with section 3.07.1120 become applicable to the area, the city or county responsible for planning the area added to the UGB shall not adopt or approve:

- A. A land use regulation or zoning map amendment that allows higher residential density in the area than allowed by regulations in effect at the time of addition of the area to the UGB;
- B. A land use regulation or zoning map amendment that allows commercial or industrial uses not allowed under regulations in effect at the time of addition of the area to the UGB;
- C. A land division or partition that would result in creation of a lot or parcel less than 20 acres in size, except for public facilities and services as defined in Metro Code section 3.01.010, or for a new public school;

D. In an area designated by the Metro Council in the ordinance adding the area to the UGB as Regionally Significant Industrial Area:

1. A commercial use that is not accessory to industrial uses in the area; and

2. A school, a church, a park or any other institutional or community service use intended to serve people who do not work or reside in the area.

3.07.1140 Applicability

Section 3.07.1110 becomes applicable on March 31, 2011.

Materials following this page were distributed at the meeting.



REGISTER NOW!

Registration closes on November 15 and space is limited!

Oregon

Climate Summit

November 18-19

Eugene Hilton Conference Center

Thursday, Nov. 18 Reception (\$25)

5:30-7:30 PM at Opus VII in Eugene



Join us for a reception and informal comments on the global politics of climate science and the importance of finding local solutions by noted climate scientist and 2007 Nobel Peace Prize recipient Dr. William Moomaw.

Friday, Nov. 19 Climate Summit (\$75)

8:00 AM-5:00 PM at the Eugene Hilton

Join us for a lively, one-day dialogue on what climate change means for Oregon, and local solutions for adapting:

- What should every local official know about climate science? Dr. William Moomaw will provide the latest on the science and politics of climate change and the best paths for moving forward.
- What are the co-benefits of adapting to climate change? National experts John Fregonese, Mike McKeever and Robert A. Leiter will share insights on how adapting to climate change can also help communities move toward their economic development and livability goals.
- How will state agencies partner with local agencies to streamline regulations and promote innovation? A panel of representatives from Oregon's leading state commissions will tackle this question, with help from the audience.
- What are the challenges and opportunities for local communities looking to address climate change? Summit participants will answer this question, with feedback from the experts.

Register online for this event at <http://www.ompoc.org/>

OMPOC is the Oregon MPO Consortium, a coalition of Oregon's metropolitan planning organizations (MPOs), representing our six largest urban areas, including the Portland, Salem-Keizer, Eugene-Springfield, Rogue Valley, Corvallis and Bend regions.

ASSESSMENT OF EFFICIENCY MEASURES FOR 2010 CAPACITY ORDINANCE

Jerry Johnson
Principal
Johnson Reid, LLC



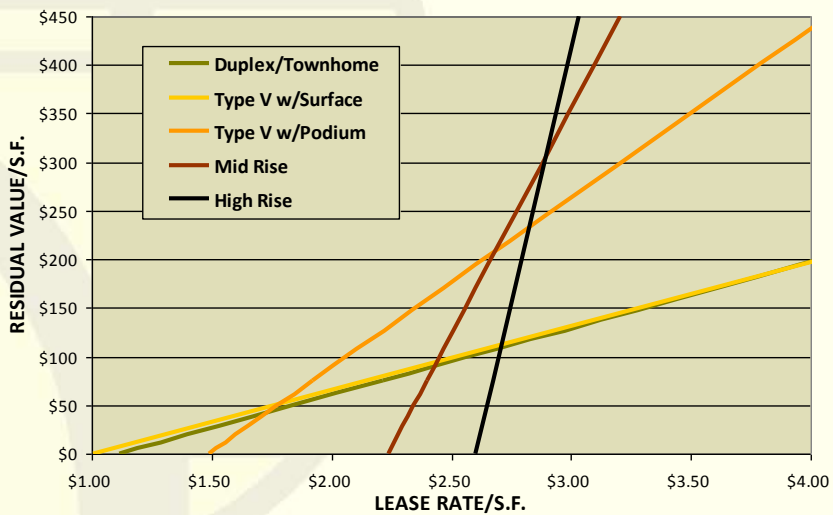
PRODUCTION FUNCTION MODEL

- THE FORM OF NEW DEVELOPMENT WILL BE DRIVEN BY A PRODUCTION MODEL
 - How Will Development Community interact with market signals?
 - “Demand” and “Realized Demand”
 - Better approach, but breaking new ground
- VIABILITY IS NOW PRIMARILY THE LIMITING FUNCTION ON INCREASING DENSITY. ZONING IS LARGELY NO LONGER THE PROBLEM.

PRODUCTION MODEL APPROACH

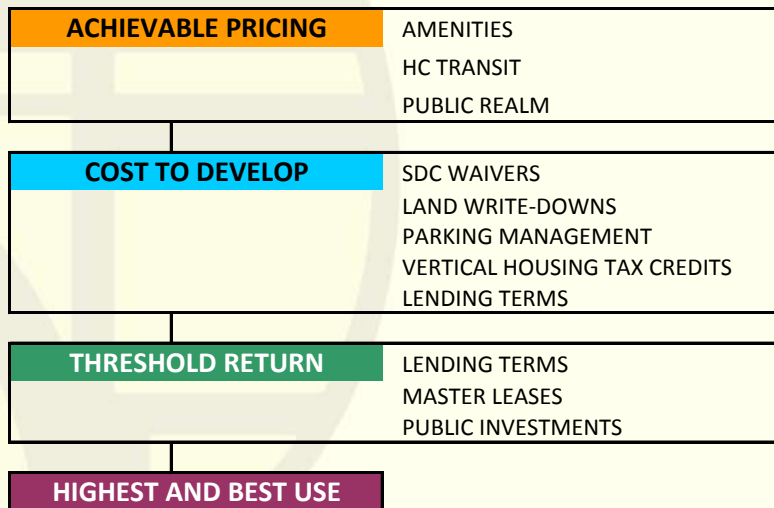


RESIDENTIAL FORM STEP FUNCTION



Source: Johnson Reid





SOURCE: Johnson Reid



HEDONIC MODELING

- Statistical Modeling to Assess Marginal Impact of a Range of Amenities
- Looking for Measurable and Significant Impact on Achievable Residential Pricing
- Results will be incorporated into final model

RESEARCH FINDINGS

- **Parks & Open Space:** The oldest and most-studied topic of parks and impacts upon property values overwhelmingly indicates positive correlation between type of park space (unimproved/open higher than improved), size of space (larger having higher impact) and access to park space from residential areas.
- **Transit:** Transit, rail in particular, has highly robust academic research over a period of time lending empirical confidence to the idea that proximity to rail is a positive amenity for property owners. Studies are not quite as voluminous, and are limited to metro areas large enough and dense enough where commuter rail investment has been possible. Results are also varied by nature of rail (heavy vs. light) and geographic location.
- **Commercial Amenity:** An increasing body of work is finding positive, though admittedly mixed, benefits for proximity of various property types to commercial development. While some studies indicate noise and traffic nuisance as a concern, others find being nearby a commercial district but “not too close” has positive impacts. The Metro Urban Living Infrastructure study went as far as to identify specific business types that have unique, significant impacts upon property values as potential indicators of urban development catalysts.

RESEARCH FINDINGS

- **Traffic Nuisance/Calming:** Although research into the efforts to calm the nuisance, or perception of nuisance, of traffic nearby residential areas have not been robust, a more persuasive body of research has estimated the negative impact to property values of residences nearby noisy/auto-intensive roads and related noise.
- **Walkability/Connectivity:** Although not precisely defined, the impact of being reasonably proximate to commercial and employment areas via distance only or connectivity of street design indicates positive, but again mixed, impacts to property values. Research is limited and conclusions are difficult to draw. Furthermore, some design elements such as alleys have been identified as having negative value impacts.
- **Bicycle Connectivity:** Statistical analysis of the value of bike trail/path improvements on property values is limited at this time. The most rigorous analysis has found that bike paths are generally negative for residential property values in suburban environments and mixed in benefit in an urban environment. Alternatively, numerous property owner surveys generally reflect a positive perception of being near trails by those property owners.

GENERAL FINDINGS

	Close to Work 20% to 25% Max. Premium	Close to Recreation 20% to 25% Max. Premium	Close to Services 20% to 25% Max. Premium	
		5% to 10% Value Premiums		Pedestrian Environment & Streetscape
Dedicated Park & Open Space Connection		5% to 15% Value Premiums		
Proximity to Transit & Connectivity		5% to 20% Value Premiums		

SELECTED CAVEATS

- **Detached Residential Bias:** As indicated at the beginning of this section, the overwhelming topic of study is the impact of amenities to single-family homes or land zoned for single-family residential development. Demographic and product “tastes” can be significantly different.
- **Geography**
- **Time & Amenity Saturation:** The uniqueness of a park or any other public investment declines and impact value likely declines as well.
- **Self-Selection:** Topics of study – parks, bike paths, walkability – are all amenities but it can also be said that “beauty is in the eye of the beholder.” While development patterns in the Portland metro area indicate increased interest in urban, attached residential forms, the public amenities analyzed in these studies likely apply to that specific share of the regional population: those seeking to be nearby specific public investments.
- **Urban & Suburban Differences:** Some studies in the literature review attempted to identify different value impacts of public investments and indeed found differences between urban and suburban residential areas.

SUMMARY

- CAN ASSESS ANTICIPATED IMPACT OF INVESTMENTS AND/OR MARKET SHIFTS OVER TIME
- DISTRICT AND SMALLER AREA SPECIFIC
 - Output can be customized by district and planning area
- WILL BE CONSOLIDATED INTO DISTRICT IMPACTS
- ESTABLISHES COMMON LANGUAGE



The Impact of Public Amenities on Development Feasibility

Initial Findings

November 10, 2010



Driving Question:

Can investing in public amenities
have a transformative impact on
development feasibility in the
region?

Imagining highly amenitized areas

Urban Amenities



Suburban Amenities



How Much Redevelopment Capacity Does Our Region Really Have?

- Answer is not static – depends on market demand, rents/prices, and desirability of place.
- Zoning capacity is significantly ahead of the market in some areas (and zoning certainly does not guarantee development).
- Developers unable to build to minimum densities in some areas or achieve maximum allowed in other areas.



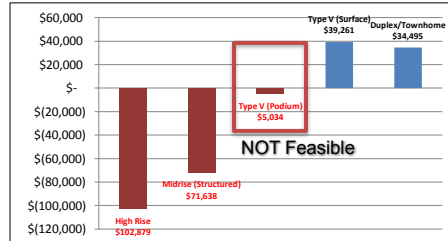
45-60 foot condos built in 150 ft zone near Gateway



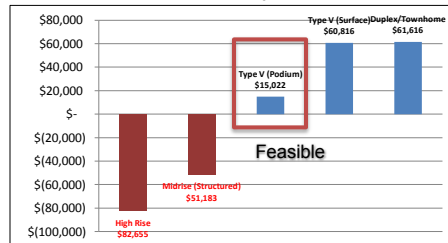
Small Shifts in Market Can Greatly Increase Density

- Financial efficiency in construction isn't a straight line
 - Beyond a certain density, construction costs become increasingly expensive
 - Cost increases driven by structured parking and steel vs. surface parking and wood construction materials
- However, even small shifts in rent/prices can significantly change an area's natural density limit
- Example: 10% difference in rent can tip the balance, more than doubling upper density limit
 - Type V Podium Parking: 87 du/acre
 - Type V Surface Parking: 31 du/acre

Current Situation: Type V **not** feasible



10% Rent Increase: Type V is feasible



How Much Bang for Public Sector Buck?

- Public sector investments can change development equation
- But by how much?
- Hedonic Pricing Analysis
 - Estimate "willingness to pay" to live near certain public amenities
 - Looked at range of amenities, such as streetscape improvements, open space, streetcar, light rail
 - Challenging to isolate premium associated with individual amenities
- Pro Forma Analysis
 - Estimate impact of amenity investment on development feasibility
 - Estimated achievable rents by specific location in the region and the amount of amenities in the area



While the exact impact is difficult to estimate, we concluded that investing in a full package of amenities in a suburban location could result in a 20% increase in achievable rents/sales price. This is enough to significantly change the development equation and increase the amount of land attractive for redevelopment. (source: Metro)

Conducted a Detailed Subarea Analysis

- It was important to conduct our analysis in a range of area types – we know that amenities will have different impacts in different areas
- Selected 3 sample areas for detailed analysis: Lake Oswego, SE Portland (Foster) and Gresham
- Lake Oswego was “largely amenitized” while SE Portland and Gresham were defined as “moderately amenitized”
- Analyzed community housing matches and identified targeted market segments for prototype housing
- Tested build-out capacity based on:
 - Current amenity level
 - Fully amenitized
- Created 10 prototype buildings (5 rental, 5 owner) based on Johnson Reid’s proforma analysis

3 Subareas



Highly amenitized means reaching a neighborhood’s potential

- A lack of neighborhood amenities hinders the ability to reach a site’s full rent/sales potential.
- For example, a lack of neighborhood amenities may mean that rents of a moderately amenitized area may be 80% of those of a full amenitized area

Typology	Adjustment
Highly Amenitized	100%
Largely Amenitized	90%
Moderately Amenitized	80%
Limited Amenities	70%
No Amenities	50%
Disamenity	40%

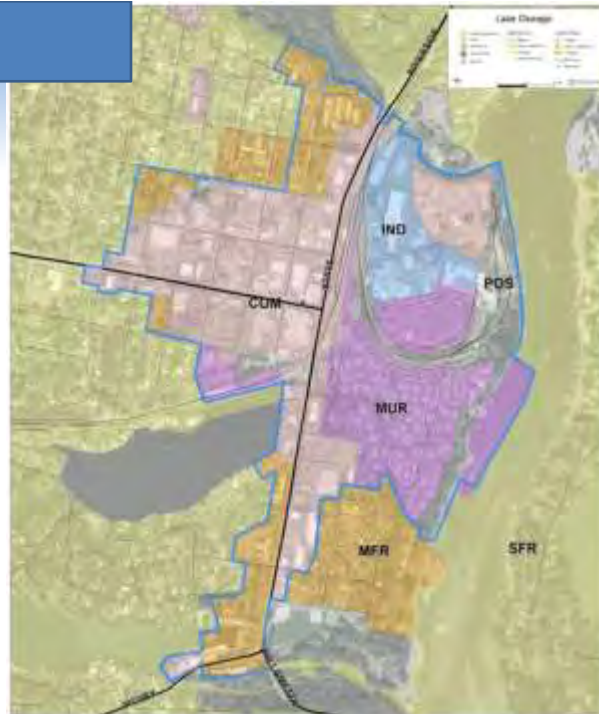
5 Basic Buildings Forms

	High Rise	Mid with Structured	Type V with Podium	Type V with Surface	Duplex or Townhome
					
					
Density	518 du/ac	113 du/ac	87 du/ac	31 du/ac	21 du/ac
	12 FAR	5.5 FAR	2 FAR	0.6 FAR	0.6 FAR
Construction Costs	\$185/sf	\$166/sf	\$115/sf	\$115/sf	\$115/sf

Lake Oswego
Study Area and Current Zoning

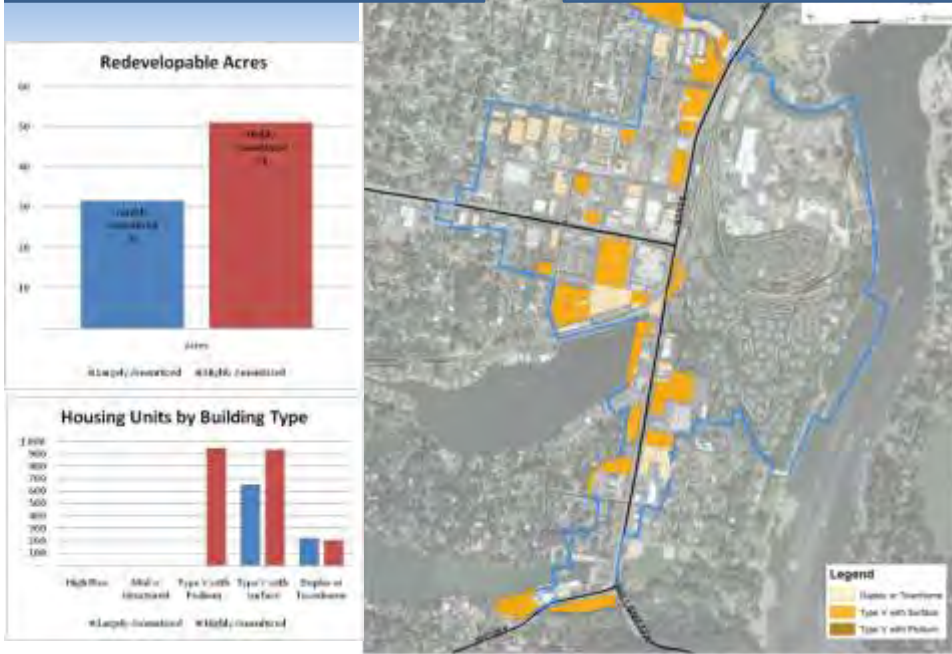
Study Area Zoning

- Focused around commercial, industrial and higher density residential core of Lake Oswego



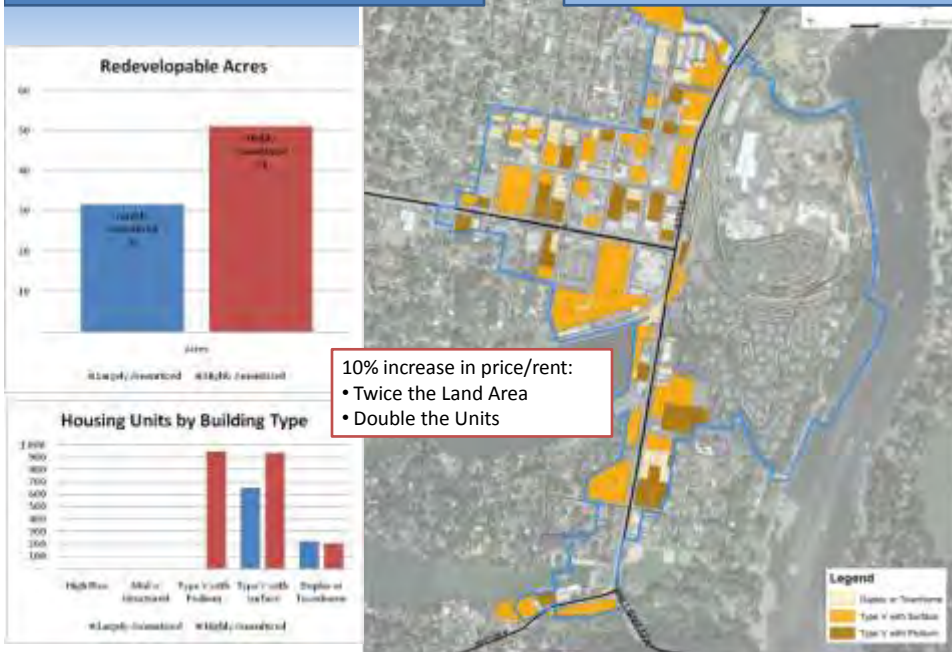
Lake Oswego: Current Conditions

Redevelopable Parcels Under Current Conditions:
Largely Amenitized



Lake Oswego: Fully Amenitized

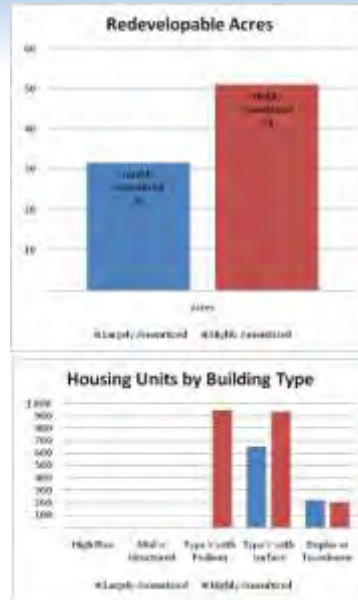
Redevelopable Parcels:
Highly Amenitized



Lake Oswego

Lake Oswego Conclusions

- Adding amenities to an already largely amenitized area, such as Lake Oswego, still significantly expands redevelopment opportunities
 - 61% more land area
- New amenities increase achievable rents by 10% and enable more costly parcels to become feasible for redevelopment
- The added area can accommodate higher value building types such as the Type V Podium type
 - Type V Podium is efficiently parked and dense
 - Being able to develop this product type significantly increased the number of units able to be built



Existing Conditions

Lake Oswego
2nd Ave, between A Ave and B Ave



Initial Public Improvements

Lake Oswego
2nd Ave, between A Ave and B Ave



**Public Improvements
and Resulting Private Investment**

Lake Oswego
2nd Ave, between A Ave and B Ave



Foster between 82nd and 205
Study Area and Current Zoning

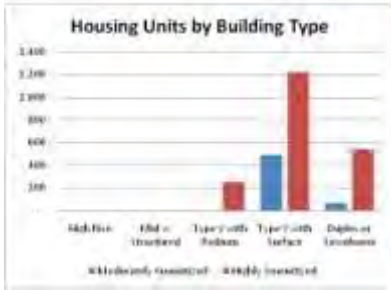
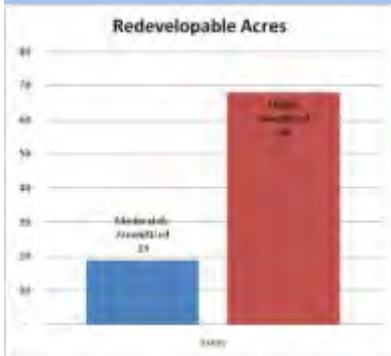
Study Area Zoning

- Focused around node at Foster and 82nd Ave and extended down Foster to I-205
- Included MFR parcels adjacent to the linear MUR zoning along Foster

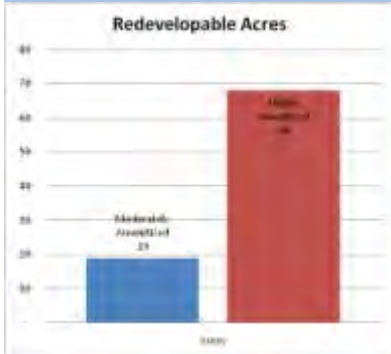


Foster between 82nd Ave and I-205

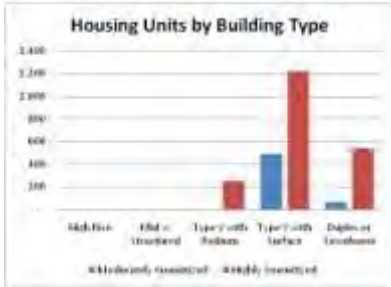
Redevelopable Parcels Under Current Conditions:
Moderately Amenitized



Foster between 82nd Ave and I-205



Redevelopable Parcels:
Highly Amenitized

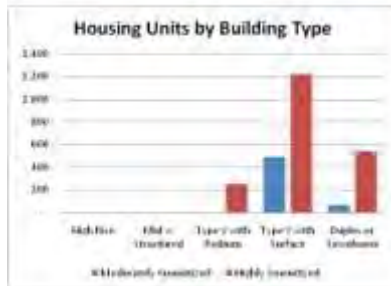
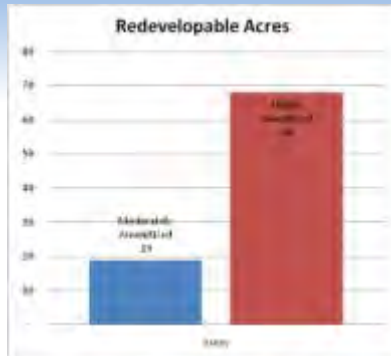


- 3 times more Land Area
- 4 times more Units
- Large increase in townhomes and Type V with surface

Foster between 82nd Ave and I-205

Foster Conclusions

- Adding a full package of amenities to a moderately amenitized area has even more significant impact
 - Land is less expensive
 - Buildings and improvements are of lower value
- Land area available for redevelopment expands dramatically
 - 19 acres to 68 acres
 - 260% increase
- Since land values are relatively inexpensive, the Type V with Surface parking building type performs the best
 - This is because structured or podium parking adds to the cost of construction
 - While it is not as dense as a podium style building, it is inexpensive to construct and still quite dense
- The added redevelopable area greatly expands opportunities to develop Type V with Surface parking, and even enables the construction of some Type V with Podium



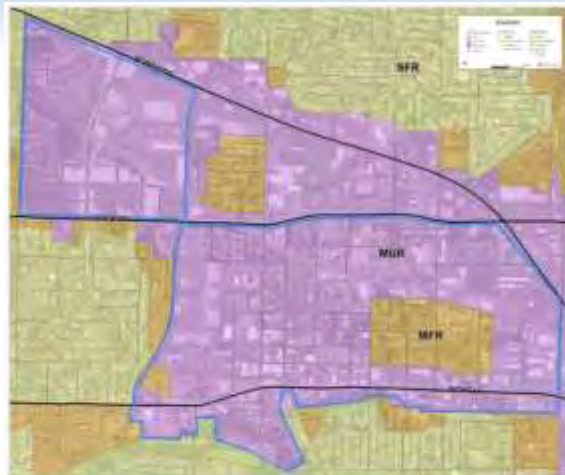




Gresham

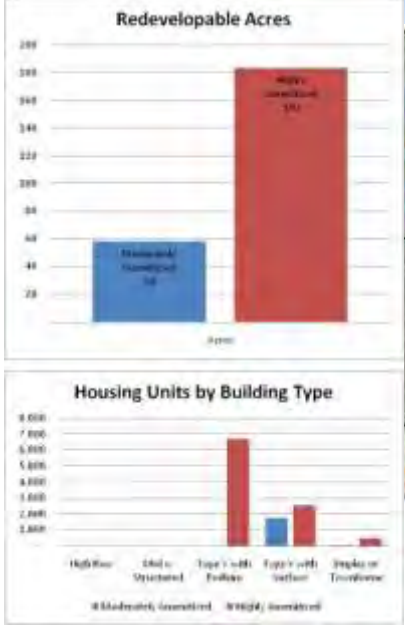
Study Area Zoning

- Focused on the MUR district in the largely commercial and employment focused area of Gresham



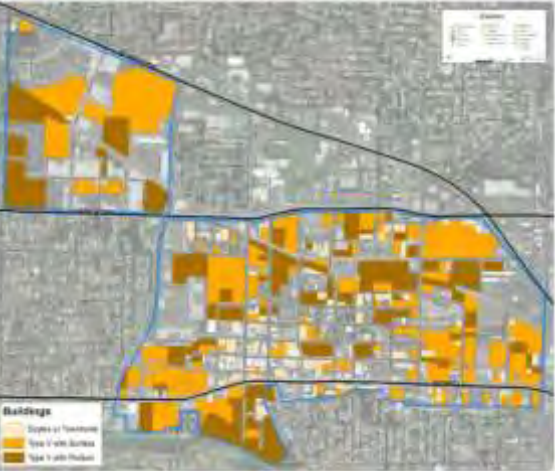
Gresham

Redevelopable Parcels Under Current Conditions:
Moderately Amenitized



Gresham

Redevelopable Parcels:
Highly Amenitized

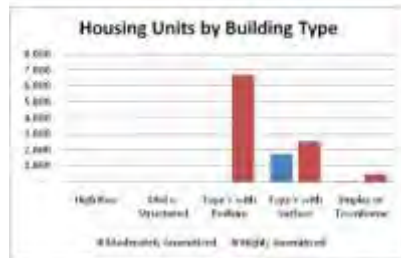
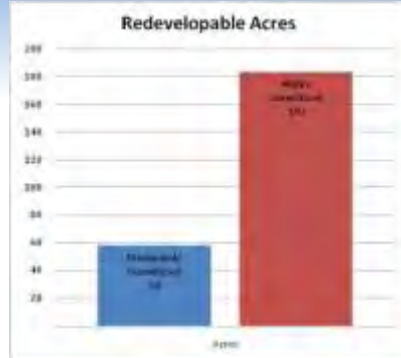


- 3 times the Land Area
- 5 times more Units

Gresham

Gresham Conclusions

- Adding a full package of amenities to this moderately amenitized area has quite a significant impact
- Adding several large parcels caused a significant increase in redevelopable acreage
 - 215% increase
- Adding a full package of amenities causes many parcels that previously only supported Type V with Surface parking to now support Type V with Podium, a more dense and efficient building type
- The increase in rent associated with the added amenities allows several more expensive parcels to become redevelopable with the higher value Type V with Podium residential building type



Existing Conditions

NW Miller Ave and NW 3rd St.



Initial Public Improvements

NW Miller Ave and NW 3rd St.



Public Improvements
and Resulting Private Investment

NW Miller Ave and NW 3rd St.



Conclusions

- Unused zoning capacity in the Metro area can be utilized with targeted public investments in amenities, even in areas that are already highly amenitized.
- Increased rents/housing prices due to public investments can make some building types feasible that would not otherwise pencil out.
- Effect of public amenities can tip the feasibility for building types, but not enough to support construction of more costly mid-rise or high-rise residential building types.

Opportunities for Further Research and Analysis

- Conducting a more robust hedonic analysis that isolates price/rent premiums for specific amenities.
- Designing specific amenity packages by area.
- Refining estimates of impacts of amenities packages (20% increase is an estimate).
- Adding new prototypes: rehab/renovation prototypes and mixed-use prototypes.
- Creating an additional urban design component to adjust feasible parcels.
- **The most important: evaluating the total ROI and fiscal impacts of these public investments.**



Home Builders Association
of Metropolitan Portland

November 10, 2010

To: MPAC

From: Home Builders Association of Metro Portland

Re: Proposed Title XI changes on housing planning

We've reviewed the subcommittee's recommendations on the guiding principles for changes to Title XI as well as the proposed recommended revisions intended to reflect those principles. We appreciate the opportunity to provide feedback and would like to ask MPAC to consider a couple of our industry's thoughts as it relates to this work.

First, we believe the guiding principles the sub-committee developed and recommended are sound. Concept plans for new urban areas should describe intended housing types, how these would address an area's or region's housing needs, and what opportunities and strategies would help encourage the intended development over a 20 year horizon. These are great core guidelines.

Our major concern, however, is in the language revised in three areas in Title XI itself. These changes would significantly alter how Title XI would be implemented and go beyond the language in the guiding principles. The guiding principles reflect a desire to ask for information that would describe a region's plan for residential and employment uses and how they propose to get there in a way that fits the particular area. However, certain Title XI changes themselves are far more prescriptive in nature (see identical language used in 3.07.1110 section B.1.c., B.2.a., and 3.07.1120 section C.4).

The language in these three sections is troublesome for a few key reasons. First, while encouraging diversity of housing type and price range are goals we all share, not all types and price ranges will be appropriate or feasible for each area. Second, the language creates mandates for lower income housing that border on inclusionary zoning and that will impact market feasibility, public and private sector acceptance, and increase the cost of market-rate housing, especially in smaller site concept plans. Third, the requirement that concept planning will achieve/address housing for households with below median income ranges is not feasible without a set of investment and incentive tools to go with it. This is a regionwide issue and significantly puts expansion areas at a disadvantage to existing urban areas. Is there a will in our region that Urban Renewal Districts, for example, will be expanded to allow use in all newly urbanized areas? Will jurisdictions be required to decrease regulatory costs to achieve these types of housing, and what impact would that have on funding infrastructure or market-rate housing affordability?

We support our region's desire to achieve affordable housing for those below median incomes, we just cannot support changed language used in these three sections of Title XI that might imply what each proposed concept plan is required to include, especially without the tools provided by our region to achieve this. At the very least, we ask that the language that states, "...and a mix of public, non-profit and private market housing with an option for households with incomes at or below 80, 50 and 30 percent of median family incomes for the region;" be removed in all three areas.

This is not to say that below median-income housing shouldn't be addressed. As an example of new language the sub-committee recommended that we believe is a better reflection of the proposed guiding principles, for example, we point to 3.07.1110 section C.4: "If the area subject to the concept plan calls for designation of land for residential use, include strategies such as partnerships and incentives that increase the likelihood that needed housing types described in subsection B of this section will be market-feasible or provided by non-market housing." This language does not put an onerous mandate or blanket requirement on a concept plan's acceptance, but does ask for thoughts on how an area can achieve these goals by using partnerships and incentives. We can support the inclusion of this changed language in Title XI.

Finally, since we are talking diversity of housing stock, we request that the language in Title XI (in the three sections referred to in the third paragraph of this letter) also include a reference to lot size in addition to housing types and affordability. Metro has long stated that while the region needs to reach higher overall densities in order to achieve numerous goals (e.g. prevent sprawl, protect farm and forestland, encourage urban center development, decrease impact to the environment), it also recognized that there need to be a variety of options for all different types of households, including those that would prefer larger lots with yards for families. It would be helpful and consistent with Metro's position to have Title XI at least mention this in its language as another factor to consider when looking at planning for housing in new urban areas.

Thank you for the opportunity to review the proposed guiding principles, which we believe are well conceived, and to provide comments on the proposed Title XI changes.

Respectfully,



David Nielsen
CEO

Cc: HBA Gov't Affairs Land Use sub-committee