

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF APPROVING) RESOLUTION NO. 91-1511
THE FY 1991/92 HOUSING PLANNING)
WORKPLAN) Introduced by Rena Cusma,
Executive Officer

WHEREAS, The Regional Urban Growth Goals and Objectives (RUGGO) call for the completion of certain planning activities to address regional housing issues and the work outlined in the Housing Planning Workplan is designed to address the development of concepts contained within the RUGGO; and

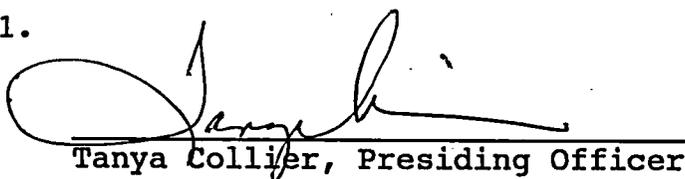
WHEREAS, The foundation for Metro's contribution to addressing regional housing issues will be based on a thorough understanding and analysis of existing housing conditions and the relationship of housing, specifically affordable housing, to employment opportunities, transportation, and the general urban form of the region; and

WHEREAS, The Housing Planning Workplan is intended to provide an analytical background to guide Metro in the development of regional housing strategies in cooperation with local governments; now, therefore,

BE IT RESOLVED,

1. That the Council of the Metropolitan Service District approves the 1991/92 Housing Workplan in a form substantially consistent with "Attachment 1," attached herewith.

ADOPTED by the Council of the Metropolitan Service District this 24th day of October, 1991.


Tanya Collier, Presiding Officer

Draft



*Housing Planning
Workplan*

September 1991

Planning and Development
Department

METRO

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I. Purpose

The purpose of the proposed Housing Planning Work Program is to explore and develop the foundation for Metro's contribution to the region's affordable housing strategy. The work program will guide Metro in the further identification of regional housing issues and the development of regional housing strategies in cooperation with local governments. The foundation for Metro's contribution will be based on a thorough understanding and analysis of existing housing conditions and the relationship of housing, specifically affordable housing, to employment opportunities, transportation, and the general urban form of the region. This document outlines the tasks that will enable Metro to assist with the effort to understand and develop strategies to meet regional housing needs.

II. Metro's Housing Objectives

The Regional Urban Growth Goals and Objectives (RUGGO) state:

"Objective 11. Housing"

"There should be a diverse range of housing types available inside the UGB, for rent or purchase at costs in balance with the range of household incomes in the region. Low and moderate income housing needs should be addressed throughout the region. Housing densities should be supportive of adopted public policy for the development of the regional transportation system and designated mixed use urban centers."

The RUGGO's also propose planning activities which lead to a new regional housing policy as follows:

- "1) Strategies should be developed to preserve the region's supply of special needs housing and existing low and moderate income housing."
- "2) ... Upon identification of unmet housing needs, a region-wide strategy shall be developed which takes into account subregional opportunities and constraints, and the relationship of market dynamics to the management of the overall supply of housing. In addition, that strategy shall address the "fair share" distribution of housing responsibilities among the jurisdictions of the region, including the provision of supporting social services."
- "3) If, following ... (a) needs analysis, certain income groups in the region are found to not have affordable housing available to them, strategies shall be developed to focus land use policy and public and private investment towards meeting that goal."
- "4) The uses of public policy and investment to encourage the development of

housing in locations near employment that is affordable to employees in those enterprises shall be evaluated and, where feasible, implemented."

III. Housing Planning in the Region

City and County Policies

Housing policies are some of the key factors that shape the existing housing situation in this region. Some local governments have policies but no strategies, while some have both but no housing program. Some examples of local government housing policies are provided below as examples of existing housing policies in the region. A summary of State and Federal housing policies are also provided in this section.

As required by State law all cities and counties must prepare a comprehensive plan, zoning ordinances (or development code) and building codes. These documents form the basis for local policies that affect housing activities and conditions. Some cities have more specific housing policies.

For example, the City of Portland has adopted many housing policies and has an ongoing Housing Advisory Committee, a citizen committee charged with advising the City on housing policy issues. Some of the City's housing policies are: 1) the Mayor's "12 Point Program for the Homeless"; 2) assisting in planning for lower income or subsidized housing opportunities; 3) support for public and private actions which increase housing choice and neighborhood stability; 4) "no net loss" (an ordinance calling for the replacement of lost or converted dwelling units within zones where gentrification is occurring); 5) fair housing (i.e., encouraging and supporting equal access to housing throughout the City for all people regardless of race, color, sex, marital status, religion, national origin or physical or mental handicap); and 6) encouraging and assisting the continuing maintenance and rehabilitation of housing.

In Washington County, the Comprehensive Framework Plan contains housing policies such as policies 21 (Housing Affordability - encouraging the housing industry to provide an adequate supply of affordable housing for all households in the unincorporated urban county area of housing), 22 (Housing Choice and Availability), 23 (Housing Condition) and 24 (Housing Discrimination).

The County's plan also identified seven implementing strategies that will be used to achieve these policies. These strategies include: 1) provision for an average density of at least 8 units per net buildable acre; 2) streamlining the development review process to reduce the regulatory costs associated with land development, while improving the quality of review; 3) use of the regulatory process in the Community Development Code to permit the creation of a second dwelling unit within detached dwellings where possible; 4) review design and development standards for residential projects as part of an effort to reduce unnecessary housing costs while maintaining housing and neighborhood quality; 5) review the utilization of residential planned

densities on a periodic basis to determine if any Plan changes are required; 6) encourage compatible development in partially developed residential areas to make optimal use of existing urban service facility capacities and maximize use of the supply of residential land; and 7) assist state and local public housing agencies in the development of subsidized housing opportunities.

Other examples of local housing policies may be found in the cities of Troutdale and Happy Valley. The Troutdale Comprehensive Plan has many policies which are aimed towards maintaining affordable housing. For example, fees and charges which may impact housing are supposed to be reviewed regularly, the process of issuing permits for land development will be streamlined as necessary in order to reduce delay that translates into higher development costs, encouraging a mix of housing types, and improving the quality of deteriorated housing stock.

The Happy Valley Comprehensive Plan encourages the development of secondary residential units on existing single family lots. These units have been defined as

"...an auxiliary dwelling unit within an existing single-family dwelling, or a detached dwelling unit with separate plumbing and kitchen facilities. These units are intended to provide housing for single persons, elderly couples and others who wish to or must restrict homemaking activities and/or those on limited incomes who otherwise may not be able or willing to support a full-sized dwelling, yet shun the more crowded apartment or condominium style of housing".

As of 1987, approximately 10 percent of the existing housing stock was determined to be easily converted into secondary units. An additional 5 percent of the housing stock was in use as secondary units.

State Policies

Perhaps the best known state housing policy is the Oregon land use planning system comprising Goals, state planning statutes, and administrative rules for which cities and counties, who have land use planning jurisdiction, must show compliance. The first of these, the Statewide Planning Goals, includes Goal 10 - Housing, which broadly states how land use plans are to accommodate housing. Further, the land use plans are to

"...encourage the availability of adequate numbers of housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density."

Another major State land use goal, Goal 14 - Urbanization, calls for an inventory of lands realistically available for residential development to be completed by cities and counties.

The Oregon Revised Statutes (ORS 197.295-197.313) has several requirements which relate to needed housing in Urban Growth Areas. Land inventory available for development within the urban growth boundary must address how housing types will be determined to meet the need

shown for housing within the boundary at particular price ranges and rent levels, including projected unmet need.

However, in the greater Portland metropolitan area, the Metropolitan Housing Rule, is substituted for compliance with the above guidelines of Goal 10. The Metropolitan Housing Rule is intended to improve the efficient use of land within the urban growth boundary, increase the development process certainty, and reduce housing costs.

Accordingly, the cities and counties in the region must make sure that their plans and zoning provide for at least 50 percent of new residential units to be something other than single family detached housing, and, the average density as calculated from their plans and zoning must be either 6, 8 or 10 units to the acre.

Other State housing policies affecting this region are the Unified State Building Code and Oregon Benchmarks. The building code is adopted wholly, or in portion, by cities and counties. The basic reason for the code is to insure that structures are constructed so that they are safe. The State has not stated how the current Oregon Benchmarks will be implemented. The benchmark document sets measurable standards for progress throughout the State. For housing, several benchmarks have been proposed. One of the critical benchmarks is to make housing more affordable. The state, in 1980 had 53% of households below median income spending less than 30 percent of their household income (including utilities) on housing. By 1995, the goal is to increase this to 75 percent, and by the year 2000, to 90 percent. In addition, it is also proposed that the ratio of the price of a home that a median income Oregon household can afford, to the median price of Oregon homes for sale be no greater than 1.2 to 1. As a longer-term goal, the document recommends reducing the number of Oregonian who are homeless from 30,000 (1990) to 20,000 in 1995, and 5,000 in the year 2010.

Federal Policies

Many federal housing policies affects local housing conditions because they are tied to the federal funding of local programs. However, there are few policies which affect housing regardless of whether federal funding is involved. These include the Fair Housing Act (prohibiting housing discrimination on the basis of race, color, religion, national origin, sex, handicapped or family composition), the Americans with Disabilities Act of 1990 (making buildings, including housing, more accessible to those who may be disabled), and the Community Reinvestment Act (encouraging financial institutions such as banks and savings and loans to help meet the credit needs of their local community, including low and moderate-income neighborhoods).

Some of the federal funding that affect local housing policies and conditions include Community Development Block Grants, the Secretary's Discretionary Fund, Rental Rehabilitation, Rehabilitation loans (section 312), Urban Homesteading, Emergency Shelter Grants, Enterprise zone Development, Supportive Housing Demonstration projects (transitional and permanent), Supplemental Assistance for Facilities to Assist the Homeless, Mortgage insurance (Low and

Moderate Income Families section 221(d)2), Housing in Declining Neighborhoods, section 223(e), Special Risks section 237), Multi-family Rental Housing for Moderate-Income Families (section 221(d)(3) and (4), Assistance to Nonprofit Sponsors of Low and Moderate Income Housing (section 106b), Lower-Income Rental Assistance and Moderate Rehabilitation Program (section 8), and Direct Loans for Housing the Elderly or Handicapped (section 202).

In addition, Congress recently adopted the National Affordable Housing Act of 1990 and its related HOME Program which will allocate funds for urban and rural communities. For local jurisdictions to receive assistance within the provisions of this Act, a "Comprehensive Housing Affordability Strategy" (CHAS) addressing housing needs and assessing how local policies impact housing must be submitted to the Secretary of HUD.

IV. Affordable Housing Issues and Challenge

Metro's Housing Issues Report, completed in March 1991, contains a preliminary analysis of regional housing issues. Based on information from local housing experts and published materials there are three major issues of concern.

First, there is the issue of whether housing production in this region should be more compact or spread out. There were arguments that if the urban growth boundary is not expanded growth will be restricted for housing and transportation. The implications of development densities for the provision of transit services is also a concern to some people. Arguments in support of no expansion of the urban growth boundary and high density development claim that there is high economic and environmental costs associated with urban sprawl. Tri-Met is currently studying the relationship between transit and urban form. The 1000 Friends of Oregon and Homebuilders Association of Metropolitan Portland recently completed a study which concluded that not all local governments in the region complied with the density mandate in the Metropolitan Housing Rule.

The second issue is that there is a wide gap between median household income and the median housing price. According to local housing experts the magnitude of the gap varies among communities. The three counties (and their local governments) applying for HUD's HOME Program fund are currently analyzing the unmet housing needs in their respective jurisdictions in through the CHAS process.

Finally, some communities are not providing enough housing of a cost and type to match the type and number of jobs created in their areas. Some of the impacts of this imbalance include traffic congestion, air quality degradation and concentration of low-income housing in one jurisdiction and moderate or high-income housing in another jurisdiction. Some local housing experts also claim that some local governments do not consider housing availability simultaneously with the consideration of the creation of new jobs.

The workplan recommends a compilation of the three CHAS analyses in order to determine the

regional context of the unmet affordable housing need. The compilation and synthesis of the CHAS and the job/housing balance analysis will provide a framework to begin regional discussions about the "fair share" distribution of affordable housing. In addition, case studies of housing cost and housing financing are recommended to determine innovative ways of reducing overall cost of housing production and increasing financing tools for public and private developers of affordable housing in the region. In order to determine whether an imbalance exists between a community's job pool and home inventory the workplan recommends a job/housing balance analysis.

V. Regional Housing Work Program

In order to fulfill the goals, objectives and planning activities included within the RUGGO, the following housing activities are recommended:

- Task 1. Compile the three CHAS now being completed for the three counties, assess how they "fit together", and identify regional issues, if any, that emerge.
- Task 2. Complete a jobs/housing balance analysis, to examine whether there are regional issues which need to be addressed.
- Task 3. Prepare case studies of: A) housing costs, and B) innovative housing programs throughout the country. The purpose would be to see whether there are steps that the region should take to address housing issues.
- Task 4. Maintain coordination between housing issues and other Metro projects, especially the Region 2040 and Infill and Redevelopment projects.
- Task 5. Improve and maintain Metro's housing data base.
- Task 6. Pursue quarterly regional housing forums, addressing all of the issues listed above.
- Task 7. Publish a quarterly information piece called the Metropolitan Housing Network.

TASK 1. Regional Housing Needs Analysis Coordination

Purpose: The purpose of compilation and analysis of the three counties' CHASs is to determine the regional context of unmet housing needs and to further explore Metro's possible contribution to the region's affordable housing strategies. This regional look at affordable housing and demand will also provide a starting point from which to begin discussions about "fair share" distribution of affordable housing.

Definition: The National Affordable Housing Act of 1990 and its related HOME Program will allocate funds for urban and rural communities. Funding for HOME and other HUD programs requires qualifying local governments to develop a CHAS. HUD guidelines for the development of a CHAS include the following:

1. The estimated housing needs for the next 5 years for very low-income, low-income and moderate income families, including special subcategories such as the elderly, large families; persons with AIDS, and others, and the number projected to be served;
2. A description of the nature and extent of homelessness;
3. A description of the significant characteristics of the jurisdiction's housing market;
4. An explanation of whether public policies such as "...land use controls, zoning ordinances, building codes, fees and charges, growth limits and policies that affect the return of residential investment..." affect the cost of housing or efforts to improve affordable housing, and if they do, means of minimizing these impacts;
5. A description of the institutions, including private industry as well as nonprofit organizations and public institutions, as well as the means of coordination, by which the housing strategy will be implemented;
6. An accounting of the resources, private and non-Federal, that will be made available;
7. An explanation of an investment plan for the Federal funds to be used;
8. A description of the means for cooperation and coordination among the State and general purpose local governments;
9. An accounting of the number, condition and restoration needs of public housing units; and,
10. A description of activities to encourage public housing residents to become more involved in the management of their housing projects or participate in home ownership.

Work Elements:

- 1a. Review and synthesize the three CHASs in a regional context.

- 1b. Depict general differences in housing conditions and markets for present and projected population in different parts of the region, including the availability of affordable housing for special needs and low and moderate income households.
- 1c. Determine subregional opportunities and constraints, and the relationship of market dynamics to the management of the overall supply of housing.
- 1d. Evaluate strategies proposed for addressing regional housing needs, taking into account: a) preservation of the region's supply of special needs and existing low and moderate income housing; and b) subregional opportunities and constraints, and the relationship of market dynamics to the management of the overall supply of housing.

Product: Report describing the condition and amount of unmet affordable housing needs in relation to projected population and subregional constraints and market dynamics, and an assessment of strategies for increasing the supply and improving the distribution of affordable housing in the region.

Timeline: October 1991 to February 1992.

TASK 2. Jobs/Housing Balance Analysis

Purpose: To design and conduct a jobs/housing balance analysis to determine the balance/imbalance of job location and affordable housing in the region and in the region's employment areas. A balance is desired to reduce commute distances, to reduce transportation caused air pollution, and to ensure an accessible labor force for employers. An area is said to have a balance of jobs and housing if housing is available to workers at a near commute distance at a price affordable to workers' households. The analysis is designed as a pilot study. The analysis will begin the examination of job creation (location and type), the definition of employment centers and the housing pool that supports those centers. The job/housing balance analysis is intended as one source of information to guide policy development pertaining to affordable housing and job creation. In addition, this work will add to the information needed to begin discussions about "fair share" distribution of affordable housing.

Definition: The study will utilize a jobs/housing range indicator. The jobs/housing range indicator is the comparison of the quantity of housing units demanded at an affordable price to the quantity of housing units available at the same price level. This analysis will require the identification of employment centers in the region. Definition of the housing pool that supports the employment centers must be also be determined. The housing pool can be defined using either commute time or

distance from the employment center or by other measures. Wage rates, distribution of wages and the number of jobs generated by an employment center must be converted to household income and jobs per household. A jobs/housing balance analysis will provide one piece of information to consider as the region begins to look at job creation and the existence or lack of housing at a price level to match jobs created. The jobs/housing range should indicate the balance/imbalance in a regional context and within concentrated employment areas.

Work Elements:

- 2a. Prepare an RFP for economic consulting services to assist in the following tasks: 1) assist Metro staff in the further development of a jobs/housing analysis for the region and the pilot study areas; 2) develop a definition of affordable housing; 3) identification of the housing pool for the region and for the pilot study areas - estimate the cost and supply of housing in these areas; and 4) identification of employment centers.
- 2b. Using the data resources of Metro, identify a jobs/housing range for the region and the pilot study areas.
- 2c. Gather anecdotal information from major employers in the region regarding employees housing needs.

Product: A method for considering jobs/housing balance in the region and in subregions based on employment centers. Pilot studies completed for the region and several of the region's employment centers.

Timeline: This work effort is expected to be initiated near the end of the calendar year with the selection of an economic consultant. The completion date is expected to occur by June 1992.

Task 3. CASE STUDIES

TASK 3a. Analysis of Housing Costs

Purpose: Housing cost is a function of many elements of housing production, directly and indirectly related to the building itself. Examples of direct costs are land, interest rates, building materials, labor and development fees. Examples of indirect costs are environmental restrictions, labor laws, regulations relating to water quality and impervious surfaces, erosion, and flooding. The intent is to analyze these elements and determine how cost savings can be achieved by substituting the cost

variables associated with housing production elements. Results of the analysis will be used to educate government, private and public developers, lenders, the real estate community and the general public.

Definition: Housing cost is all the costs associated with the production of single family and multifamily (rental and ownership) housing. These costs include land acquisition, land development (including permit fees), construction, marketing and closing.

Work Elements:

- a1. Work with the development community to determine the various components that constitute the cost of producing a dwelling.
- a2. Develop a list of housing factors substitutes and use them to design housing cost scenarios that can be used to build affordable and good quality housing in this region.
- a3. Develop technical assistance program and/or manual to assist public and private developers and local government in building affordable housing.

Product: Report that outlines comparable costs of housing.

Timeline: October 1991 to June 1992.

TASK 3b. Assessment of Public/Private Housing Partnership Models to Meet Unmet Needs

Purpose: Explore potential for public/private sector partnership in this region.

Definition: Public/Private housing partnerships are formalized, permanent or nonpermanent arrangements created with the intent to increase the production of affordable housing. These arrangements are typically made among local or state governments, private funding sources, and private development agencies, usually non-profits.

Work Elements:

- b1. Report that describes local housing initiatives in this region and other parts of the country.
- b2. Report that analyzes regional housing partnerships showing the critical political, social, economic and financial elements that are required.

Product: Assessment of public/private sector partnerships in other parts of the country and conditions for developing them in this region.

Timeline: August 1991 to February 1992.

TASK 3c. Assessment of Financing Mechanisms to Meet Unmet Housing Needs

Purpose: Find ways of getting funds for housing organizations in this region (i.e., funds not currently available to them).

Definition: Financing comes in different forms depending on the type financier, developer, or buyer. Both public and private organizations finance housing development in the form of tax-credits, market and low interest (or reduced-rate mortgage) loans, grants and debt financing. Buyers receive housing financing in the form of market rate mortgages, low interest mortgages and mortgage credit certificates.

Work Elements:

- c1. Report that describes and analyzes housing financing tools used by public and private developers including non-profits, and showing how these tools can be secured and used to meet unmet housing needs.

Product: Housing financing strategies.

Timeline: August 1991 to February 1992.

TASK 4. Coordination of Housing and Other Related Projects

Purpose: To assure that the housing products are available and consistent with other Metro planning efforts including the Urban Infill and Redevelopment Project, Region 2040, Urban Reserves Project, Metro Greenspaces and the projects and computer models to be completed solely by the Transportation Department

Definition: This task includes communicating with the project leaders so that the housing projects listed in this work program reflect Metro policies. In addition, this task will include having the housing work understood by the other project leaders.

Work Elements:

- 4a. Review list of projects with department management.
- 4b. Review housing work program with project leaders review their work programs.

4c. Establish a method to track other projects and communicate with project leaders.

Product: Metro projects which are consistent with each other. Minimizing the duplication of data gathering, other work efforts.

Timeline: Ongoing.

TASK 5. Regional Housing Database

Purpose: Provide a more complete and easily assessable database that planners and analysts need to understand and analyze changes in housing needs, support existing programs and develop new programs which address the housing needs of this region.

Work Elements:

5a. Work with Metro's Data Resource Center, state and local governments to assemble housing information and data relevant to this region. The data will include, at a minimum, total existing units by type, developer (public or private), geographic areas, price and rental information by type of units and geographic areas, total and type of households in need of housing, and homebuyer and renter assistance information.

5b. Develop an annual Regional Housing Information Report.

Product: Computer database of housing information for the Portland metropolitan area and a regional housing information bulletin.

Timeline: October 1991 to June 1992 and ongoing.

TASK 6. Regional Housing Forums

Purpose: To provide a means to discuss regional housing issues and foster a comprehensive "housing providers'" network.

Definition: Public, half-day meetings in which critical housing issues are discussed and debated.

Work Elements:

6a. Establish place and time for housing forums.

- 6b. Establish speakers, panels, themes for forums. Possible forum topics could include CHAS, cost analyses and case studies.
- 6c. Update mailing list.
- 6d. Distribute flyers.
- 6e. Arrange for meeting place details (refreshments, parking etc.)

Product: Quarterly housing forums

Timeline: Each quarter following approval of this work plan.

TASK 7. Metropolitan Housing Network

Purpose: To provide an additional means of communicating housing information to the region.

Definition: A section of the Metro Planning News focusing on the region and its housing issues.

Work Elements:

7a. Establish theme, design shell.

7b. Write and edit section.

Product: A new/special housing section of the Metro Planning News.

Timeline: Quarterly, after the approval of the work program.

**HOUSING TASK SCHEDULE
1991/92 FISCAL YEAR**

TASK	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
1. Housing Needs Analysis				_____								
2. Jobs/Housing Balance Analysis				_____								
3. Case Studies				_____								
3a. Housing Cost				_____								
3b. Private/Public Partnership Models				_____								
3c. Housing Financing				_____								
4. Coordination of Housing & Other Related Projects				_____								
5. Housing Database				_____								
6. Housing Forums				_____				_____			_____	
7. Metropolitan Housing Network				_____				_____			_____	

STAFF REPORT

FOR THE PURPOSE OF APPROVING THE 1991/1992 HOUSING PLANNING WORKPLAN.

Date: September 16, 1991

Presented by: Rich Carson
Ethan Seltzer

Requested Action: Approval of the FY 1991/92 Housing Planning Workplan.

FACTUAL BACKGROUND AND ANALYSIS

The proposed Housing Planning Workplan is an integral part of Metro's growth management planning process. Objective 11, Housing, in the Regional Growth Goals and Objectives (RUGGO), states that "There should be a diverse range of housing types available inside the UGB, for rent or purchase at costs in balance with the range of household incomes in the region. Low and moderate income housing needs should be addressed throughout the region. Housing densities should be supportive of adopted public policy for the development of the regional transportation system and designated mixed use urban centers." The proposed RUGGO planning activities include:

- * the development of strategies to preserve the region's supply of special needs housing and existing low and moderate income housing; and,
- * the development of region wide strategies to address subregional opportunities and constraints, the relationship of market dynamics, and the "fair share" distribution of affordable housing in the region; and,
- * a needs analysis for low/moderate income groups in the region and the development of strategies to focus land use policy and public private investment towards meeting identified housing needs; and,
- * encourage the development of housing in locations near employment that is affordable to employees in those areas through public policy and investment.

The purpose of the Housing Planning Workplan is to explore and develop the foundation for Metro's contribution to the region's affordable housing strategy. The workplan will guide Metro in the further identification of regional housing issues and the development of regional housing strategies in cooperation with local governments. The foundation for Metro's contribution will be based on a thorough understanding and analysis of existing housing conditions and the relationship of housing, specifically affordable housing, to employment opportunities, transportation, and the general urban form of the region.

The tasks outlined in the proposed workplan will examine the housing needs of low and moderate income households; the location of jobs and housing and the "fair share" concept; and market dynamics and the cost of producing single family housing for ownership and multi-family housing for rental. A regional information network component is also included in the workplan.

Workplan Task 2, Jobs/Housing Balance Analysis, is a complex analytical method used to better understand the impact of job creation and the demand for housing generated by those jobs. Staff proposes to work with a consultant to develop a "balance indicator", define a commuted area, and identify employment centers in the region. Significant work in the design of this research project needs to take place in order to apply the findings to the realities of the regional landscape. In addition, staff will work with the Data Resource Center to utilize Metro's existing data resources for this project. Regional housing strategies, in conjunction with local governments, will be the final product of the Jobs/Housing Analysis.

STAFF RECOMMENDATION

Staff recommends the adoption of the 1991/92 Housing Planning Workplan.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution 91-1511.



METRO

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Memorandum

TO: Mark Turpel
Mary Weber

FROM: Karla Forsythe, ^{KLF} Council Analyst

DATE: October 11, 1991

RE: Potential revisions to Housing Planning Workplan

Mary asked me to review proposed language which could be added to the workplan to clarify that as part of Task 1 d., staff would evaluate not only strategies mentioned in the three CHAS analyses, but other strategies as well.

Mary proposed revising the task to state that staff would "evaluate proposed strategies and alternative strategies for addressing regional housing needs . . . " .

After reviewing my notes from the meeting and drafting the committee report (copy attached), I'd like to suggest the following language:

"1 d. Identify and evaluate proposed and alternative strategies for addressing regional housing needs . . . " . This language would clarify that staff will look beyond the three CHAS documents. It appears that recommendations for specific strategies to be incorporated into the CHAS would occur as part of the strategy and policy development contemplated for FY 1992/93.

From my notes, it does appear that it would be appropriate to modify the workplan. It might be useful if you could prepare a revised workplan along with a brief staff memo to the Council indicating the change and the reason for it. Paulette will need to have these materials by Wednesday, October 16 to include them in the next Council packet.

I hope this is helpful. Please give me a call if you have any questions.

c: Councilor Gardner

TRANSPORTATION AND PLANNING COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 91-1511, FOR THE PURPOSE
OF APPROVING THE FY 1991/92 HOUSING PLANNING WORKPLAN

Date: October 8, 1991

Presented by: Councilor Bauer

COMMITTEE RECOMMENDATION: At the October 8, 1991 meeting, the Committee voted 4-0 to recommend Council approval of Resolution No. 91-1511. Voting in favor were Councilors Bauer, Devlin, Gardner and McLain. Councilor Van Bergen was absent.

COMMITTEE ISSUES/DISCUSSION: Planning and Development Director Rich Carson introduced Mary Weber, who explained how the workplan correlates with housing planning activities set out in the Regional Urban Growth Goals and Objectives.

Ms. Weber said that compiling the three county Comprehensive Housing Affordability Strategy (CHAS) documents (Task 1) will give a regional perspective on unmet needs. The database work included in Task 5 will be used to evaluate the accuracy of the CHAS analyses. Task 3, which involves preparation of case studies, will result in information about the market dynamics of housing affordability. Fair share strategies will be addressed by mapping data to determine if there are gaps. The jobs/housing balance study under Task 2 will be a first step to review data relating to job creation and availability.

Council staff had asked how the planning activities would address preservation of special needs and existing low and moderate income housing. Ms. Weber indicated that case studies on public/private partnerships should provide helpful information. She also said that the current fiscal year workplan focuses on laying the analytical foundation, with strategy and policy development to follow next year.

With regard to the relationship between the workplan and the functional planning process, she said that findings from this research will be presented to the Growth Management Technical and Policy Advisory Committees to consider in identifying issues of regional significance and in making recommendations.

Rich Carson, Planning and Development Director, said that functional planning is the last step in the process. The first step involves identifying issues, problems, and ways they can be solved, with a functional plan coming at the end if needed. He indicated that a five year workplan might be an appropriate way to address RUGGO implementation.

Councilor Devlin said that under the Metro Code, when Metro enters into a planning process which could result in a functional plan, the issue must first be identified as one of metropolitan significance. He asked whether this identification should occur well before or shortly before the plan is adopted. Mr. Carson said

TRANSPORTATION AND PLANNING COMMITTEE REPORT

Resolution No. 91-1511

Page Two

he favors the latter approach. He said Metro must give notice that it might adopt a functional plan. He believes it is best to obtain an information base first, then reach conclusions about the strategy, and then adopt a resolution which gives notice that a plan may be adopted. He said that giving notice early in the process puts off local governments, and it is preferable for local governments to first come through the same planning and analytical process.

Councilor Devlin also indicated that the phrase "functional plan" is ambiguous. He said some functional plans involve modifications to local comprehensive plans, while others are overall policy documents. He noted that the solid waste plan serves both purposes. He asked how this ambiguity could be clarified. Mr. Carson responded that functional plans also affect local operational issues. For example, the solid waste plan imposes numerous requirements on haulers. At the request of Councilor Devlin, Councilor Gardner indicated that this topic will be scheduled for discussion by the committee at a future meeting.

Councilor Gardner and Councilor McLain expressed their view that a better strategy might be to use the words functional plan frequently. Councilor Van Bergen indicated he finds these terms less than clear.

Councilor Gardner asked if under Task 1d, staff would be evaluating only the strategies recommended in the three CHAS documents, or whether staff would independently identify strategies. Mr. Carson said staff would be focusing on the CHAS and on case studies, but that staff could also make suggestions. Councilor Gardner asked that staff look beyond the CHAS studies. Mark Turpel, Senior Regional Planner, added that the regional view obtained through synthesizing the CHAS, and the national perspective obtained through case studies, would provide a basis for staff to develop suggestions which could be incorporated in the CHAS in future years. Councilor Gardner said he supports this approach; Mr. Carson said the tasks could be clarified accordingly.

Council analyst Karla Forsythe asked how the planning activities would address density issues mentioned in the Housing Objective. Ms. Weber said that the case studies would include information about the dynamics of affordability.

In response to an inquiry from Councilor Gardner, Mr. Carson indicated that all costs of carrying out the workplan have been budgeted, including a \$25,000 contract for an economic consultant.

Councilor Bauer commented that it is prudent for Metro not to rush into housing issues, and to augment rather than compete with existing housing providers.



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

TO: Transportation and Planning Committee
FROM: Karla Forsythe, ^{KLF} Council Analyst
DATE: October 2, 1991
RE: Resolution No. 91-1511: Housing Planning Workplan

An FY 91-92 budget note provides that an FY 1991-92 housing planning workplan will be submitted to the Committee no later than October 15, 1991, with specific projects, tasks, target dates and deadlines identified. The note further provides that the Committee will review the report and refer it to the full Metro Council for approval.

Council Staff Comments/ Questions for Committee Consideration

1. The workplan was developed in the context of the recently-adopted Regional Urban Growth Goals and Objectives. As noted in the workplan, the RUGGOs include a housing objective and four planning activities (Objective 11; copy attached).

It would be helpful if staff could explain how each proposed workplan task relates to the RUGGO planning activities.

2. How do the proposed tasks address the development of strategies to preserve the region's supply of special needs and existing low and moderate income housing?

3. This year's tasks appear to focus on identifying unmet needs and outlining potential strategies. Will assessment and development of strategies also begin this fiscal year?

4. How will the housing workplan be coordinated with the regional planning process established in the RUGGOs, particularly with regard to the functional planning process?

c: Rich Carson
Mark Turpel

1 **II.2: BUILT ENVIRONMENT**

2
3 Development in the region should occur in a coordinated and balanced fashion as evidenced by:

4
5 II.2.i) a regional "fair-share" approach to meeting the housing needs of the urban
6 population;

7
8 II.2.ii) the provision of infrastructure and critical public services concurrent with the
9 pace of urban growth;

10
11 II.2.iii) the integration of land use planning and economic development programs;

12
13 II.2.iv) the coordination of public investment with local comprehensive and regional
14 functional plans;

15
16 II.2.v) the continued evolution of regional economic opportunity; and

17
18 II.2.vi) the creation of a balanced transportation system, less dependent on the private
19 automobile, supported by both the use of emerging technology and the collocation of
20 jobs, housing, commercial activity, parks and open space.

21
22 **OBJECTIVE 11. HOUSING**

23
24 There shall be a diverse range of housing types available inside the UGB, for rent or purchase
25 at costs in balance with the range of household incomes in the region. Low and moderate
26 income housing needs should be addressed throughout the region. Housing densities should be
27 supportive of adopted public policy for the development of the regional transportation system
28 and designated mixed use urban centers.

29
30 **Planning Activities:**

31
32 The Metropolitan Housing Rule (OAR 660, Division 7) has effectively resulted in the
33 preparation of local comprehensive plans in the urban region that:

- 34
35 ● provide for the sharing of regional housing supply responsibilities by ensuring the
36 presence of single and multiple family zoning in every jurisdiction; and
37
38 ● plan for local residential housing densities that support net residential housing
39 density assumptions underlying the regional urban growth boundary.
40

41 However, it is now time to develop a new regional housing policy that directly addresses
42 the requirements of Statewide Planning Goal 10, in particular:

- 43
44 1) Strategies should be developed to preserve the region's supply of special needs

1 and existing low and moderate income housing.
2

- 3 2) Diverse Housing Needs - the diverse housing needs of the present and projected
4 population of the region shall be correlated with the available and prospective
5 housing supply. Upon identification of unmet housing needs, a regionwide
6 strategy shall be developed which takes into account subregional opportunities and
7 constraints, and the relationship of market dynamics to the management of the
8 overall supply of housing. In addition, that strategy shall address the "fair-share"
9 distribution of housing responsibilities among the jurisdictions of the region,
10 including the provision of supporting social services.
11
- 12 3) Housing Affordability - A housing needs analysis shall be carried out to assess
13 the adequacy of the supply of housing for rent and/or sale at prices for low and
14 moderate income households. If, following that needs analysis, certain income
15 groups in the region are found to not have affordable housing available to them,
16 strategies shall be developed to focus land use policy and public and private
17 investment towards meeting that need.
18
- 19 4) The uses of public policy and investment to encourage the development of
20 housing in locations near employment that is affordable to employees in those
21 enterprises shall be evaluated and, where feasible, implemented.
22

23 **OBJECTIVE 12. PUBLIC SERVICES AND FACILITIES**

24

25 Public services and facilities including but not limited to public safety, water and sewerage
26 systems, parks, libraries, the solid waste management system, stormwater management facilities,
27 and transportation should be planned and developed to:
28

29 12.i) minimize cost;

30 12.ii) maximize service efficiencies and coordination;

31 12.iii) result in net improvements in environmental quality and the conservation
32 of natural resources;

33 12.iv) keep pace with growth while preventing any loss of existing service levels
34 and achieving planned service levels;

35 12.v) use energy efficiently; and
36

37 12.vi) shape and direct growth to meet local and regional objectives.
38

39 12.1 Planning Area - The long-term geographical planning area for the provision of
40 urban services shall be the area described by the adopted and acknowledged urban growth
41
42
43
44

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF APPROVING
THE FY 1991/92 HOUSING PLANNING
WORKPLAN

)
)
)
)
)

RESOLUTION NO. 91-1511

Introduced by Rena Cusma,
Executive Officer

WHEREAS, the Regional Urban Growth Goals and Objectives (RUGGO) call for the completion of certain planning activities to address regional housing issues and the work outlined in the Housing Planning Workplan is designed to address the development of the concepts contained within the RUGGO; and,

WHEREAS, the foundation for Metro's contribution to addressing regional housing issues will be based on a thorough understanding and analysis of existing housing conditions and the relationship of housing, specifically affordable housing, to employment opportunities, transportation, and the general urban form of the region; and

WHEREAS, the Housing Planning Workplan is intended to provide an analytical background to guide Metro in the development of regional housing strategies in cooperation with local governments; now therefore,

BE IT RESOLVED,

1. That the Council of the Metropolitan Service District approves the 1991/92 Housing Planning Workplan in a form substantially consistent with "Attachment 1", attached herewith.

ADOPTED by the Council of the Metropolitan Service District this _____ day of _____, 1991.

Tanya Collier, Presiding Officer



Housing Planning Workplan

October 1991

Planning and Development
Department

METRO

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 - TASK 4. Coordination of Housing and Other Related Projects
 - TASK 5. Regional Housing Database
 - TASK 6. Regional Housing Forums
 - TASK 7. Metropolitan Housing Network

I. Purpose

The purpose of the proposed Housing Planning Work Program is to explore and develop the foundation for Metro's contribution to the region's affordable housing strategy. The work program will guide Metro in the further identification of regional housing issues and the development of regional housing strategies in cooperation with local governments. The foundation for Metro's contribution will be based on a thorough understanding and analysis of existing housing conditions and the relationship of housing, specifically affordable housing, to employment opportunities, transportation, and the general urban form of the region. This document outlines the tasks that will enable Metro to assist with the effort to understand and develop strategies to meet regional housing needs.

II. Metro's Housing Objectives

The Regional Urban Growth Goals and Objectives (RUGGO) state:

"Objective 11. Housing"

"There should be a diverse range of housing types available inside the UGB, for rent or purchase at costs in balance with the range of household incomes in the region. Low and moderate income housing needs should be addressed throughout the region. Housing densities should be supportive of adopted public policy for the development of the regional transportation system and designated mixed use urban centers."

The RUGGO's also propose planning activities which lead to a new regional housing policy as follows:

- "1) Strategies should be developed to preserve the region's supply of special needs housing and existing low and moderate income housing."
- "2) ... Upon identification of unmet housing needs, a region-wide strategy shall be developed which takes into account subregional opportunities and constraints, and the relationship of market dynamics to the management of the overall supply of housing. In addition, that strategy shall address the "fair share" distribution of housing responsibilities among the jurisdictions of the region, including the provision of supporting social services."
- "3) If, following ... (a) needs analysis, certain income groups in the region are found to not have affordable housing available to them, strategies shall be developed to focus land use policy and public and private investment towards meeting that goal."

- "4) The uses of public policy and investment to encourage the development of housing in locations near employment that is affordable to employees in those enterprises shall be evaluated and, where feasible, implemented."

III. Housing Planning in the Region

City and County Policies

Housing policies are some of the key factors that shape the existing housing situation in this region. Some local governments have policies but no strategies, while some have both but no housing program. Some examples of local government housing policies are provided below as examples of existing housing policies in the region. A summary of State and Federal housing policies are also provided in this section.

As required by State law all cities and counties must prepare a comprehensive plan, zoning ordinances (or development code) and building codes. These documents form the basis for local policies that affect housing activities and conditions. Some cities have more specific housing policies.

For example, the City of Portland has adopted many housing policies and has an ongoing Housing Advisory Committee, a citizen committee charged with advising the City on housing policy issues. Some of the City's housing policies are: 1) the Mayor's "12 Point Program for the Homeless"; 2) assisting in planning for lower income or subsidized housing opportunities; 3) support for public and private actions which increase housing choice and neighborhood stability; 4) "no net loss" (an ordinance calling for the replacement of lost or converted dwelling units within zones where gentrification is occurring); 5) fair housing (i.e., encouraging and supporting equal access to housing throughout the City for all people regardless of race, color, sex, marital status, religion, national origin or physical or mental handicap); and 6) encouraging and assisting the continuing maintenance and rehabilitation of housing.

In Washington County, the Comprehensive Framework Plan contains housing policies such as policies 21 (Housing Affordability - encouraging the housing industry to provide an adequate supply of affordable housing for all households in the unincorporated urban county area), 22 (Housing Choice and Availability), 23 (Housing Condition) and 24 (Housing Discrimination).

The County's plan also identified seven implementing strategies that will be used to achieve these policies. These strategies include: 1) provision for an average density of at least 8 units per net buildable acre; 2) streamlining the development review process to reduce the regulatory costs associated with land development, while improving the quality of review; 3) use of the regulatory process in the Community Development Code to permit the creation of a second dwelling unit within detached dwellings where possible; 4) review design and development standards for residential projects as part of an effort to reduce unnecessary housing costs while maintaining housing and neighborhood quality; 5) review the utilization of residential planned

densities on a periodic basis to determine if any Plan changes are required; 6) encourage compatible development in partially developed residential areas to make optimal use of existing urban service facility capacities and maximize use of the supply of residential land; and 7) assist state and local public housing agencies in the development of subsidized housing opportunities.

Other examples of local housing policies may be found in the cities of Troutdale and Happy Valley. The Troutdale Comprehensive Plan has many policies which are aimed towards maintaining affordable housing. For example, fees and charges which may impact housing are supposed to be reviewed regularly, the process of issuing permits for land development will be streamlined as necessary in order to reduce delays that translate into higher development costs, encouraging a mix of housing types, and improving the quality of deteriorated housing stock.

The Happy Valley Comprehensive Plan encourages the development of secondary residential units on existing single family lots. These units have been defined as

"...an auxiliary dwelling unit within an existing single-family dwelling, or a detached dwelling unit with separate plumbing and kitchen facilities. These units are intended to provide housing for single persons, elderly couples and others who wish to or must restrict homemaking activities and/or those on limited incomes who otherwise may not be able or willing to support a full-sized dwelling, yet shun the more crowded apartment or condominium style of housing".

As of 1987, approximately 10 percent of the existing housing stock was determined to be easily converted into secondary units. An additional 5 percent of the housing stock was in use as secondary units.

State Policies

Perhaps the best known state housing policy is the Oregon land use planning system comprising Goals, state planning statutes, and administrative rules for which cities and counties, who have land use planning jurisdiction, must show compliance. The first of these, the Statewide Planning Goals, includes Goal 10 - Housing, which broadly states how land use plans are to accommodate housing. Further, the land use plans are to

"...encourage the availability of adequate numbers of housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density."

Another major State land use goal, Goal 14 - Urbanization, calls for an inventory of lands realistically available for residential development to be completed by cities and counties.

The Oregon Revised Statutes (ORS 197.295-197.313) has several requirements which relate to needed housing in Urban Growth Areas. Land inventory available for development within the urban growth boundary must address how housing types will be determined to meet the need

shown for housing within the boundary at particular price ranges and rent levels, including projected unmet need.

However, in the greater Portland metropolitan area, the Metropolitan Housing Rule, is substituted for compliance with the above guidelines of Goal 10. The Metropolitan Housing Rule is intended to improve the efficient use of land within the urban growth boundary, increase the development process certainty, and reduce housing costs.

Accordingly, the cities and counties in the region must make sure that their plans and zoning provide for at least 50 percent of new residential units to be something other than single family detached housing, and, the average density as calculated from their plans and zoning must be either 6, 8 or 10 units to the acre.

Other State housing policies affecting this region are the Unified State Building Code and Oregon Benchmarks. The building code is adopted wholly, or in portion, by cities and counties. The basic reason for the code is to insure that structures are constructed so that they are safe. The State has not stated how the current Oregon Benchmarks will be implemented. The benchmark document sets measurable standards for progress throughout the State. For housing, several benchmarks have been proposed. One of the critical benchmarks is to make housing more affordable. The state, in 1980 had 53% of households below median income spending less than 30 percent of their household income (including utilities) on housing. By 1995, the goal is to increase this to 75 percent, and by the year 2000, to 90 percent. In addition, it is also proposed that the ratio of the price of a home that a median income Oregon household can afford, to the median price of Oregon homes for sale be no greater than 1.2 to 1. As a longer-term goal, the document recommends reducing the number of Oregonian who are homeless from 30,000 (1990) to 20,000 in 1995, and 5,000 in the year 2010.

Federal Policies

Many federal housing policies affects local housing conditions because they are tied to the federal funding of local programs. However, there are few policies which affect housing regardless of whether federal funding is involved. These include the Fair Housing Act (prohibiting housing discrimination on the basis of race, color, religion, national origin, sex, handicapped or family composition), the Americans with Disabilities Act of 1990 (making buildings, including housing, more accessible to those who may be disabled), and the Community Reinvestment Act (encouraging financial institutions such as banks and savings and loans to help meet the credit needs of their local community, including low and moderate-income neighborhoods).

Some of the federal funding that affect local housing policies and conditions include Community Development Block Grants, the Secretary's Discretionary Fund, Rental Rehabilitation loans (section 312), Urban Homesteading, Emergency Shelter Grants, Enterprise Zone Development, Supportive Housing Demonstration projects (transitional and permanent), Supplemental Assistance for Facilities to Assist the Homeless, Mortgage insurance (Low and Moderate Income

Families section 221(d)2), Housing in Declining Neighborhoods, section 223(e), Special Risks (section 237), Multi-family Rental Housing for Moderate-Income Families (section 221(d)(3) and (4)), Assistance to Nonprofit Sponsors of Low and Moderate Income Housing (section 106b), Lower-Income Rental Assistance and Moderate Rehabilitation Program (section 8), and Direct Loans for Housing the Elderly or Handicapped (section 202).

In addition, Congress recently adopted the National Affordable Housing Act of 1990 and its related HOME Program which will allocate funds for urban and rural communities. For local jurisdictions to receive assistance within the provisions of this Act, a "Comprehensive Housing Affordability Strategy" (CHAS) addressing housing needs and assessing how local policies impact housing must be submitted to the Secretary of HUD.

IV. Affordable Housing Issues and Challenge

Metro's Housing Issues Report, completed in March 1991, contains a preliminary analysis of regional housing issues. Based on information from local housing experts and published materials there are three major issues of concern.

First, there is the issue of whether housing production in this region should be more compact or spread out. There were arguments that if the urban growth boundary is not expanded growth will be restricted for housing and transportation. The implications of development densities for the provision of transit services is also a concern to some people. Arguments in support of no expansion of the urban growth boundary and high density development claim that there is high economic and environmental costs associated with urban sprawl. Tri-Met is currently studying the relationship between transit and urban form. The 1000 Friends of Oregon and Homebuilders Association of Metropolitan Portland recently completed a study which concluded that not all local governments in the region complied with the density mandate in the Metropolitan Housing Rule.

The second issue is that there is a wide gap between median household income and the median housing price. According to local housing experts the magnitude of the gap varies among communities. The three counties (and their local governments) applying for HUD's HOME Program fund are currently analyzing the unmet housing needs in their respective jurisdictions through the CHAS process.

Finally, some communities are not providing enough housing of a cost and type to match the type and number of jobs created in their areas. Some of the impacts of this imbalance include traffic congestion, air quality degradation and concentration of low-income housing in one jurisdiction and moderate or high-income housing in another jurisdiction. Some local housing experts also claim that some local governments do not consider housing availability simultaneously with the consideration of the creation of new jobs.

The workplan recommends a compilation of the three CHAS analyses in order to determine the

regional context of the unmet affordable housing need. The compilation and synthesis of the CHAS and the job/housing balance analysis will provide a framework to begin regional discussions about the "fair share" distribution of affordable housing. In addition, case studies of housing cost and housing financing are recommended to determine innovative ways of reducing overall cost of housing production and increasing financing tools for public and private developers of affordable housing in the region. In order to determine whether an imbalance exists between a community's job pool and housing inventory the workplan recommends a job/housing balance analysis.

V. Regional Housing Work Program

In order to fulfill the goals, objectives and planning activities included within the RUGGO, the following housing activities are recommended:

- Task 1. Compile the three CHAS now being completed for the three counties, assess how they "fit together", and identify regional issues, if any, that emerge.
- Task 2. Complete a jobs/housing balance analysis, to examine whether there are regional issues which need to be addressed.
- Task 3. Prepare case studies of: A) housing costs, B) innovative housing programs throughout the country, and C) financing mechanisms. The purpose would be to see whether there are steps that the region should take to address housing issues.
- Task 4. Maintain coordination between housing issues and other Metro projects, especially the Region 2040 and Infill and Redevelopment projects.
- Task 5. Improve and maintain Metro's housing data base.
- Task 6. Pursue quarterly regional housing forums, addressing all of the issues listed above.
- Task 7. Publish a quarterly information piece called the Metropolitan Housing Network.

TASK 1. Regional Housing Needs Analysis Coordination

Purpose: The purpose of compilation and analysis of the three counties' CHASs is to determine the regional context of unmet housing needs and to further explore Metro's possible contribution to the region's affordable housing strategies. This regional look at affordable housing and demand will also provide a starting point from which to begin discussions about "fair share" distribution of affordable

housing.

Definition: The National Affordable Housing Act of 1990 and its related HOME Program will allocate funds for urban and rural communities. Funding for HOME and other HUD programs requires qualifying local governments to develop a CHAS. HUD guidelines for the development of a CHAS include the following:

1. The estimated housing needs for the next 5 years for very low-income, low-income and moderate income families, including special subcategories such as the elderly, large families, persons with AIDS, and others, and the number projected to be served;
2. A description of the nature and extent of homelessness;
3. A description of the significant characteristics of the jurisdiction's housing market;
4. An explanation of whether public policies such as "...land use controls, zoning ordinances, building codes, fees and charges, growth limits and policies that affect the return of residential investment..." affect the cost of housing or efforts to improve affordable housing, and if they do, means of minimizing these impacts;
5. A description of the institutions, including private industry as well as nonprofit organizations and public institutions, as well as the means of coordination, by which the housing strategy will be implemented;
6. An accounting of the resources, private and non-Federal, that will be made available;
7. An explanation of an investment plan for the Federal funds to be used;
8. A description of the means for cooperation and coordination among the State and general purpose local governments;
9. An accounting of the number, condition and restoration needs of public housing units; and,
10. A description of activities to encourage public housing residents to become more involved in the management of their housing projects or participate in home ownership.

Work Elements:

- 1a. Review and synthesize the three CHASs in a regional context.
- 1b. Depict general differences in housing conditions and markets for present and projected population in different parts of the region, including the availability of affordable housing for special needs and low and moderate income households.
- 1c. Determine subregional opportunities and constraints, and the relationship of market dynamics to the management of the overall supply of housing.
- 1d. Identify and evaluate proposed and alternative strategies for addressing regional housing needs, taking into account: a) preservation of the region's supply of special needs and existing low and moderate income housing; and b) subregional opportunities and constraints, and the relationship of market dynamics to the management of the overall supply of housing.

Product: Report describing the condition and amount of unmet affordable housing needs in relation to projected population and subregional constraints and market dynamics, and an assessment of strategies for increasing the supply and improving the distribution of affordable housing in the region.

Timeline: October 1991 to February 1992.

TASK 2. Jobs/Housing Balance Analysis

Purpose: To design and conduct a jobs/housing balance analysis to determine the balance/imbalance of job location and affordable housing in the region and in the region's employment areas. A balance is desired to reduce commute distances, to reduce transportation caused air pollution, and to ensure an accessible labor force for employers. An area is said to have a balance of jobs and housing if housing is available to workers at a near commute distance at a price affordable to workers' households. The analysis is designed as a pilot study. The analysis will begin the examination of job creation (location and type), the definition of employment centers and the housing pool that supports those centers. The job/housing balance analysis is intended as one source of information to guide policy development pertaining to affordable housing and job creation. In addition, this work will add to the information needed to begin discussions about "fair share" distribution of affordable housing.

Definition: The study will utilize a jobs/housing range indicator. The jobs/housing range indicator is the comparison of the quantity of housing units demanded at an affordable price to the quantity of housing units available at the same price level. This analysis will require the identification of employment centers in the region.

Definition of the housing pool that supports the employment centers must be also be determined. The housing pool can be defined using either commute time or distance from the employment center or by other measures. Wage rates, distribution of wages and the number of jobs generated by an employment center must be converted to household income and jobs per household. A jobs/housing balance analysis will provide one piece of information to consider as the region begins to look at job creation and the existence or lack of housing at a price level to match jobs created. The jobs/housing range should indicate the balance/imbalance in a regional context and within concentrated employment areas.

Work Elements:

- 2a. Prepare an RFP for economic consulting services to assist in the following tasks: 1) assist Metro staff in the further development of a jobs/housing analysis for the region and the pilot study areas; 2) develop a definition of affordable housing; 3) identification of the housing pool for the region and for the pilot study areas - estimate the cost and supply of housing in these areas; and 4) identification of employment centers.
- 2b. Using the data resources of Metro, identify a jobs/housing range for the region and the pilot study areas.
- 2c. Gather anecdotal information from major employers in the region regarding employees housing needs.

Product: A method for considering jobs/housing balance in the region and in subregions based on employment centers. Pilot studies completed for the region and several of the region's employment centers.

Timeline: This work effort is expected to be initiated near the end of the calendar year with the selection of an economic consultant. The completion date is expected to occur by June 1992.

Task 3. CASE STUDIES

TASK 3a. Analysis of Housing Costs

Purpose: Housing cost is a function of many elements of housing production, directly and indirectly related to the building itself. Examples of direct costs are land, interest rates, building materials, labor and development fees. Examples of indirect costs are environmental restrictions, labor laws, regulations relating to water quality

and impervious surfaces, erosion, and flooding. The intent is to analyze these elements and determine how cost savings can be achieved by substituting the cost variables associated with housing production elements. Results of the analysis will be used to educate government, private and public developers, lenders, the real estate community and the general public.

Definition: Housing cost is all the costs associated with the production of single family and multifamily (rental and ownership) housing. These costs include land acquisition, land development (including permit fees), construction, marketing and closing.

Work Elements:

- a1. Work with the development community to determine the various components that constitute the cost of producing a dwelling.
- a2. Develop a list of housing factors substitutes and use them to design housing cost scenarios that can be used to build affordable and good quality housing in this region.
- a3. Develop technical assistance program and/or manual to assist public and private developers and local government in building affordable housing.

Product: Report that outlines comparable costs of housing.

Timeline: October 1991 to June 1992.

TASK 3b. Assessment of Public/Private Housing Partnership Models to Meet Unmet Needs

Purpose: Explore potential for public/private sector partnership in this region.

Definition: Public/Private housing partnerships are formalized, permanent or nonpermanent arrangements created with the intent to increase the production of affordable housing. These arrangements are typically made among local or state governments, private funding sources, and private development agencies, usually non-profits.

Work Elements:

- b1. Report that describes local housing initiatives in this region and other parts of the country.
- b2. Report that analyzes regional housing partnerships showing the critical political,

social, economic and financial elements that are required.

Product: Assessment of public/private sector partnerships in other parts of the country and conditions for developing them in this region.

Timeline: August 1991 to February 1992.

TASK 3c. Assessment of Financing Mechanisms to Meet Unmet Housing Needs

Purpose: Find ways of getting funds for housing organizations in this region (i.e., funds not currently available to them).

Definition: Financing comes in different forms depending on the type financier, developer, or buyer. Both public and private organizations finance housing development in the form of tax-credits, market and low interest (or reduced-rate mortgage) loans, grants and debt financing. Buyers receive housing financing in the form of market rate mortgages, low interest mortgages and mortgage credit certificates.

Work Elements:

- c1. Report that describes and analyzes housing financing tools used by public and private developers including non-profits, and showing how these tools can be secured and used to meet unmet housing needs.

Product: Housing financing strategies.

Timeline: August 1991 to February 1992.

TASK 4. Coordination of Housing and Other Related Projects

Purpose: To assure that the housing products are available and consistent with other Metro planning efforts including the Urban Infill and Redevelopment Project, Region 2040, Urban Reserves Project, Metro Greenspaces and the projects and computer models to be completed solely by the Transportation Department

Definition: This task includes communicating with the project leaders so that the housing projects listed in this work program reflect Metro policies. In addition, this task will include having the housing work understood by the other project leaders.

Work Elements:

- 4a. Review list of projects with department management.

4b. Review housing work program with project leaders review their work programs.

4c. Establish a method to track other projects and communicate with project leaders.

Product: Metro projects which are consistent with each other. Minimizing the duplication of data gathering, other work efforts.

Timeline: Ongoing.

TASK 5. Regional Housing Database

Purpose: Provide a more complete and easily assessable database that planners and analysts need to understand and analyze changes in housing needs, support existing programs and develop new programs which address the housing needs of this region.

Work Elements:

5a. Work with Metro's Data Resource Center, state and local governments to assemble housing information and data relevant to this region. The data will include, at a minimum, total existing units by type, developer (public or private), geographic areas, price and rental information by type of units and geographic areas, total and type of households in need of housing, and homebuyer and renter assistance information.

5b. Develop an annual Regional Housing Information Report.

Product: Computer database of housing information for the Portland metropolitan area and a regional housing information bulletin.

Timeline: October 1991 to June 1992 and ongoing.

TASK 6. Regional Housing Forums

Purpose: To provide a means to discuss regional housing issues and foster a comprehensive "housing providers'" network.

Definition: Public, half-day meetings in which critical housing issues are discussed and debated.

Work Elements:

- 6a. Establish place and time for housing forums.
- 6b. Establish speakers, panels, themes for forums. Possible forum topics could include CHAS, cost analyses and case studies.
- 6c. Update mailing list.
- 6d. Distribute flyers.
- 6e. Arrange for meeting place details (refreshments, parking etc.)

Product: Quarterly housing forums

Timeline: Each quarter following approval of this work plan.

TASK 7. Metropolitan Housing Network

Purpose: To provide an additional means of communicating housing information to the region.

Definition: A section of the Metro Planning News focusing on the region and its housing issues.

Work Elements:

7a. Establish theme, design shell.

7b. Write and edit section.

Product: A new/special housing section of the Metro Planning News.

Timeline: Quarterly, after the approval of the work program.