



# Metro | Agenda

Meeting: Metro Technical Advisory Committee  
 Date: Wednesday, May 6, 2015  
 Time: 10:00 a.m. to 11:30 a.m.  
 Place: Council Chamber

Time	Agenda Item	Action Requested	Presenter(s)	Materials
10:00 a.m.	<b>CALL TO ORDER</b>  <b>Updates from the Chair</b>			
10:10	<b>Citizen Communications to MTAC</b>		All	
10:15 (30 min.)	<b>Equitable Housing Initiative Update</b>  <i>Purpose: Update MTAC members on pending Equitable Housing Initiative and request MTAC assistance in identifying appropriate stakeholders for Metro and Oregon Opportunity Network discussion Summer 2015</i>	Information / Discussion	Emily Lieb, Metro; Ruth Adkins, Oregon Opportunity Network	
10:45 (30 min.)	<b>Urban Growth Management Decision: Residential development potential in UGR expansion areas, including Damascus</b>  <i>Purpose: Update MTAC on an urban growth management topic that will be going to MPAC on May 27</i>	Information / Discussion	Ted Reid, Metro	
<b>11:30 a.m.</b>	<b>Adjourn</b>			

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## 2015 MTAC Tentative Agendas

***	<b>May 20</b> <ul style="list-style-type: none"> <li>• Urban Growth Management Decision: Likelihood of development in urban centers such as Portland</li> <li>• Metro Equity Strategy</li> </ul>
<b>June 3</b> <ul style="list-style-type: none"> <li>• 2018 Regional Transportation Plan Update Kick-off</li> <li>• Regional Transit Plan and coordination with TriMet Service Enhancement Plans and SMART Transit Master Plan</li> <li>• AARP Livability Index</li> </ul>	<b>June 17</b> <ul style="list-style-type: none"> <li>• Urban Growth Management Decision: Planning within a range forecast</li> </ul>
<b>July 1</b>	<b>July 15</b>
<b>August 5</b>	<b>August 19</b>
<b>September 2</b>	<b>September 16</b> <ul style="list-style-type: none"> <li>• 2018 Regional Transportation Plan Update: Review draft work plan and engagement strategy</li> <li>• Regional Transit Plan: Review draft Regional Transit Vision</li> <li>• Urban Growth Management Decision: Review COO recommendation</li> <li>• Metro Equity Strategy</li> </ul>
<b>October 7</b>	<b>October 21</b>
<b>November 4</b>	<b>November 18</b>
<b>December 2</b>	<b>December 16</b>

**Parking Lot:**

- May 20: Lunch & Learn Series – Lents Five-Year Action Plan (following MTAC in Council Chamber)
- Mid-term Legislative Review
- Spring 2015 – Travel Options topic plan
- Spring 2015 – Tigard Tree Grove presentation
- Spring 2015 – Willamette Falls tour

## EQUITABLE HOUSING INITIATIVE WORK PLAN, 2015-2016

### 1. INTRODUCTION

Between 2015 and 2016, Metro’s Equitable Housing Initiative will seek to develop a shared understanding of regional housing challenges and opportunities, build momentum through short-term implementation strategies, and lay a foundation for long-term funding and policy opportunities to support equitable housing. The purpose of this work plan is to clarify the goals and objectives, scope, timeline, and partnership structure for the Initiative.

#### **What is “equitable housing” and why does it matter?**

For the purpose of the Initiative, promoting “equitable housing” means ensuring *diverse, quality, affordable housing choices with access to jobs, schools, and transportation options*.

Vacancy rates in the Metro region are among the lowest in the country, and the costs of both ownership and rental housing are rapidly rising. As a result, residents increasingly cannot afford to live in the places they would otherwise choose to live, leading to concentrations of poverty in areas that lack adequate infrastructure and services, as well as longer commutes throughout the region. These trends negatively impact air quality, livability, and the economic competitiveness of the region.

#### **Why is a regional approach needed?**

- **Knowledge Sharing:** The region is home to an experienced and knowledgeable community of for-profit and non-profit housing developers and lenders, as well as government staff and elected leaders working hard to remove barriers to equitable development at the local level. However, the region lacks a forum for sharing creative solutions and best practices—particularly among suburban jurisdictions, where housing development models created for urban contexts may not be the right fit.
- **Economies of Scale:** Best practices from across the country suggest that collaborative funding mechanisms can maximize the effectiveness of limited public resources by creating flexible financing tools that leverage additional sources of private and philanthropic capital to support equitable housing development on a greater scale.
- **Shared Vision:** There are passionate advocates working to advance affordable housing goals and develop coordinated responses to homelessness, yet the region lacks a broader lens for connecting this work to our shared 2040 vision for our communities. As the region considers how we grow, equitable housing must continue to be not only a shared principle, but also a framework for providing access to the resources that will allow us to achieve our shared vision.

## **Initiative Purpose and Approach**

There is no silver bullet approach to promoting balanced development and diverse housing options. A combination of context-specific tools and cross-jurisdictional strategies will be necessary to help focus development of new housing in regional centers and corridors, adapt and diversify housing stock to align with demographic trends, and coordinate public investments to promote access to housing opportunity and choice for economically disadvantaged and historically underserved groups.

The Equitable Housing Initiative will seek to build on Metro's previous efforts and connect to other ongoing policy conversations across the region to support equitable housing. The Initiative will identify areas of consensus and support for short-term implementation of best practices at the local level; it will build on those early successes to create momentum for longer-term funding and policy strategies at the regional and state level.

## **Background**

Metro has a long history of commitment to equity and housing affordability dating back to the 1970s. In 2000, Metro adopted Title 7 of the Urban Growth Management Functional Plan, which requires local jurisdictions to support the preservation and development of affordable housing through their comprehensive plans and provides voluntary targets for affordable housing production. In 2006, Metro accepted the Regional Housing Choice Implementation Strategy, which made four primary recommendations including:

- Integrating housing supply concerns, particularly affordable housing, into all policy making and funding allocations in order to achieve regional housing choice equity through promotion of affordable housing as a regional function on par with transportation and green spaces.
- Direct efforts toward development of resources, and especially a new permanent regional resource for affordable housing, and join and lead advocacy for increased funding at the federal, state, and regional levels.
- Promote strategies to remove regulatory barriers and reduce the cost of developing housing, and affordable workforce housing specifically, especially in 2040 Centers and Corridors.
- Prioritize the budget for housing to provide technical assistance to local governments such as land/site inventory, model codes, etc.

While progress has been made on some of the recommendations of the 2006 Regional Housing Choice Implementation Strategy, other components have not moved forward, and housing affordability and housing choice continue to be a significant regional concern.

Metro's Equitable Housing Initiative is the result of a FY2014-2015 budget amendment of \$200,000 to (1) develop and deploy technical support tools for jurisdictions seeking to eliminate barriers to equitable housing; (2) develop and promote local, regional, and statewide policies to support equitable housing; (3) develop a long-range strategy for funding affordable housing.

## 2. INITIATIVE OVERVIEW

### 2.1 GOAL

The goal of the Equitable Housing Initiative is to **provide a regional framework that can help Metro and local jurisdictions identify and pursue opportunities to build stronger partnerships with affordable housing developers, funders, and community-based organizations** to support policies and programs that promote equitable housing.

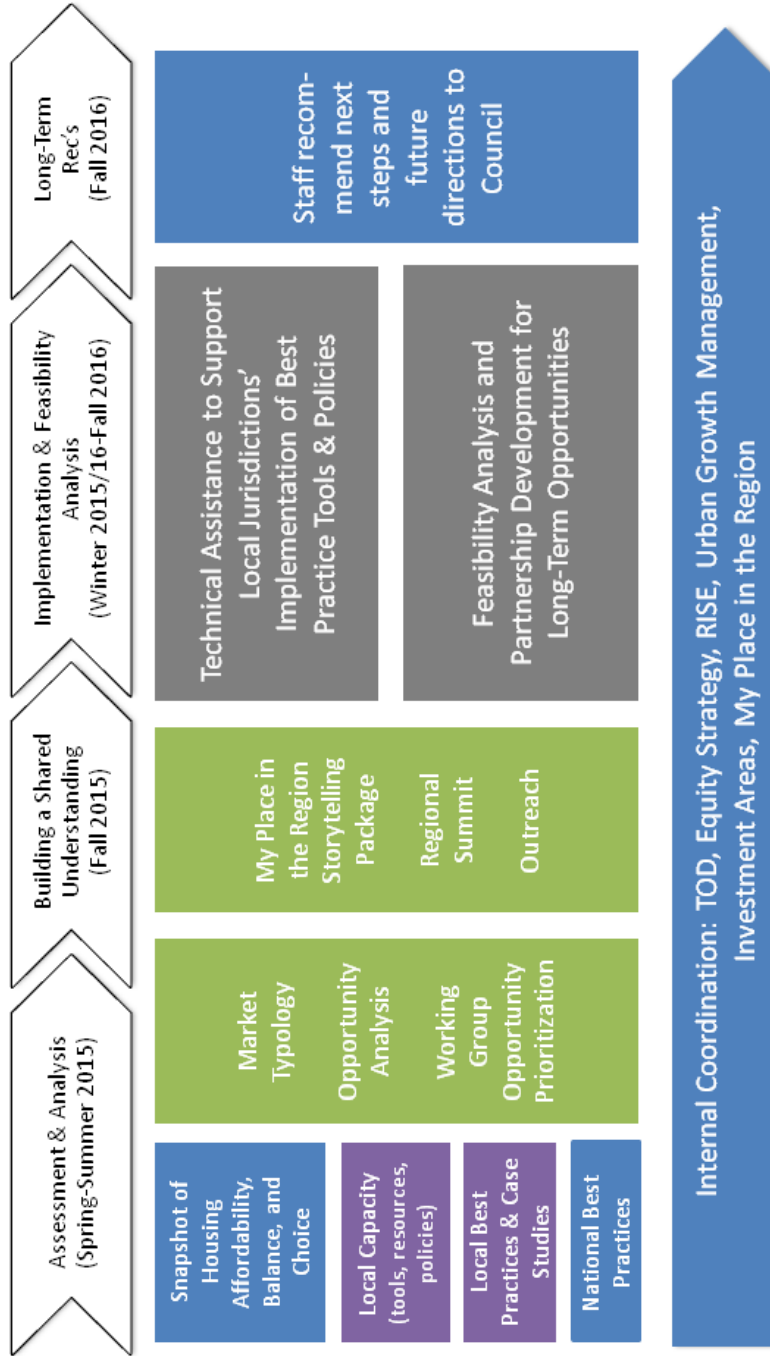
### 2.2 OBJECTIVES

- A. **Develop a shared understanding** among elected officials, jurisdictional staff, developers, funders, and stakeholders regarding best practices, needs, and opportunities for collaboration.
- B. Develop and deploy technical assistance to **support local implementation of best practices** to overcome barriers to equitable housing development.
- C. **Evaluate the feasibility of collaborative funding models** and identify opportunities for partnerships between Metro, foundations, and other public and private funders to fill the financing gap for equitable housing development and preservation.
- D. **Develop long-term recommendations** for Metro and partners to support equitable housing development and preservation through capacity building, technical assistance, policy development, and funding partnerships.

### 2.3 INITIATIVE PHASES & MILESTONES (2015-2016)

- **Phase 1: Assessment & Analysis (Spring-Summer 2015)**
  - Select Community Assessment Partner
  - Recruit and initiate Working Group
  - Update MPAC on assessment goals and process
- **Phase 2: Building a Shared Understanding (Fall 2015)**
  - Produce Summary Report: Regional Housing Affordability and Balance
  - Convene a Regional Summit on Equitable Housing
- **Phase 3: Short-Term Implementation and Development of Long-Term recommendations (Winter 2015/16-Summer 2016):**
  - Launch a Technical Assistance demonstration program
  - Develop framework for feasibility analysis and partnership development for collaborative funding and policy opportunities
- **Phase 4: Recommendations for Future Directions (October-December 2016)**
  - Deliver recommendations for Next Steps and Future Directions

**Equitable Housing Initiative, 2015-2016**



## 2.4 OUTPUTS FOR 2015

Output	Description
<p><b>Summary of Regional Housing Affordability, Balance, and Choice</b> <i>Lead: Metro staff</i></p>	<p>Drawing on the Urban Growth Report, Census, market data, and Metro’s inventory of rent regulated housing, staff and consultants will analyze the current state and trends in housing supply, housing needs, and gaps at both the regional scale and within market sub-areas.</p>
<p><b>Assessment of Local Best Practices &amp; Capacity</b> <i>Lead: Community Assessment Partner (CAP)</i></p>	<p>The CAP will identify and document local best practices and assess local jurisdictions’ capacity in terms of policies, resources, and tools to support equitable housing development and preservation. As part of this effort, the CAP will engage local government staff, for-profit and non-profit housing developers, funders, advocacy groups, community-based organizations, and other key stakeholders to identify barriers and develop solutions.</p>
<p><b>National Best Practice Scan</b> <i>Lead: Metro staff</i></p>	<p>Staff will review literature and interview experts and practitioners across the country to learn about innovative partnerships and approaches, including collaborative funding models, innovative policies, incentive tools, and more.</p>
<p><b>Housing Market Typology</b> <i>Lead: Metro staff or consultant</i></p>	<p>Staff and/or consultants will develop a typology of housing markets and the tools and strategies that are effective in each market type.</p>
<p><b>Housing Case Studies and My Place in the Region Storytelling Packages</b> <i>Lead: Metro staff</i></p>	<p>Staff will produce accessible communications materials including info-graphics, case studies, and personal stories conveying the scale of the region’s housing challenge, how it’s affecting people’s lives, and success stories about creative approaches and partnerships that have overcome barriers to development. These efforts will be coordinated with the Planning &amp; Development Department’s <i>My Place in the Region</i> campaign.</p>
<p><b>Opportunity Analysis &amp; Short- and Long-Term Recommendations</b> <i>Lead: Working Group</i></p>	<p>The Working Group will review assessment findings and develop a prioritized list of strategies Metro and partners could pursue to support equitable housing, spanning collaborative funding mechanisms, technical assistance, data/technology tools, and policy reform. Opportunities will be prioritized by feasibility and impact, and specific, action-oriented implementation recommendations will be developed for the most promising strategies.</p>
<p><b>Regional Summit</b> <i>Lead: Metro Council, Working Group, staff, and partners</i></p>	<p>In the Fall of 2015, Metro Council, staff, and partners will convene a summit to bring together elected officials and key regional stakeholders, with a goal of developing a shared understanding of challenges and opportunities. During the Summit, local success stories and national best practices will be highlighted along with assessment findings and Working Group recommendations.</p>

### 3. PARTNERSHIP AND COORDINATION

#### 3.1 COMMUNITY ASSESSMENT PARTNER (CAP)

The Community Assessment Partner (CAP) will be selected in April through a competitive RFP process. The CAP will engage jurisdictional staff, for-profit and non-profit housing developers, funders, and other stakeholders to identify and document local best practices and capacity (policies, tools, and resources), and to identify opportunities and barriers for equitable housing development. The CAP will support the Equitable Housing Working Group in evaluating the feasibility and potential impacts of potential short- and long-term strategies.

#### 3.2 EQUITABLE HOUSING WORKING GROUP

The Equitable Housing Working Group will meet approximately six times between May and November 2015 to guide the first three phases of the Initiative. After the conclusion of the Summit and related engagement efforts, the group will evaluate what kind of advisory structure would best support future phases of the work.

##### A. Working Group Composition

- two Metro Councilors, as designated by the Metro Council President
- five to eight additional members to collectively provide a range of geographical perspectives, expertise, and interests, spanning:
  - Housing authority and jurisdictional staff
  - Funders and lenders
  - Developers
  - Business interests
  - Real estate interests

##### B. Working Group Tasks

The Equitable Housing Working Group will meet approximately six to eight times between May and November 2015 to **develop recommendations for short- and long-term opportunities for Metro and its regional partners to support equitable housing development and preservation.** Opportunity areas to be considered will span collaborative funding mechanisms, technical assistance, data/technology-based tools, and policy reform.

Specific tasks include:

- Guide assessment framework and engagement process
- Evaluate feasibility and impact of short- and long-term opportunities for Metro and its partners to advance equitable housing
- Present findings at Regional Summit and to Metro Council, MPAC, and MTAC
- Provide staff with recommendations for priority focus areas for technical assistance and development of long-term policy and funding opportunities



### 3.3 METRO STAFF & CONSULTING

- A. Metro Development Center:** Staff will provide general project management and coordination under the direction of the Metro COO and departmental management.
- Staff will update Metro Council on progress during key milestones.
  - At the conclusion of 2015-2016 initiative, staff will review the initiative's impact and present recommendations for future directions to the Metro COO and Metro Council.
- B. Metro Research Center:** Staff will provide technical analytical support focused on quantifying and describing housing needs, balance, and affordability.
- C. Metro Communications:** Staff will develop communications packages in coordination with *My Place in the Region* and other related agency-wide communications initiatives.
- D. Metro Diversity, Equity, and Inclusion Initiative:** Staff will incorporate housing-related discussion questions into engagement efforts targeting underrepresented groups.
- E. Consulting Support:** Staff are reviewing additional consulting and support needs for facilitation and market analysis.

### 3.4 INTRA-/INTER-AGENCY AND COMMUNITY COLLABORATION

Staff will seek opportunities to collaborate with other programmatic efforts and initiatives at Metro and at other organizations and public agencies.

- A. Relevant Metro projects and programs include but are not limited to:**
- Diversity, Equity, and Inclusion (DEI) Initiative
  - Transit-Oriented-Development (TOD) Program
  - Regional Infrastructure Supporting our Economy (RISE)
  - Regional Transportation Plan
  - Investment Areas
  - Urban Growth Management Functional Plan
  - Community Planning & Development Grant Program
  - Equity Atlas/opportunity mapping
- B. Relevant Local, Regional, and State partner agencies include but are not limited to:**
- Office of Housing and Urban Development (HUD)
  - Oregon Housing and Community Services (OHCS)
  - City and County planning, housing, and community development offices
  - Housing authorities
  - TriMet

**C. Relevant non-governmental partner organizations, coalitions, and initiatives include but are not limited to:**

- Oregon Housing Alliance
- Oregon Opportunity Network
- Welcome Home Coalition
- Network of Oregon Affordable Housing
- Enterprise Community Partners
- Community Housing Fund
- Meyer Memorial Trust Affordable Housing Initiative
- Local and community-based housing initiatives

# Urban growth management decision topic paper: Development potential in UGB expansion areas, including Damascus

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## Topic paper purpose

Policy makers have indicated an interest in further discussion of several topics raised in the draft Urban Growth Report (UGR). This topic paper is intended to frame policy dialogue about the likelihood of development of housing in UGB expansion areas, particularly the City of Damascus, over the next 20 years.

## Background

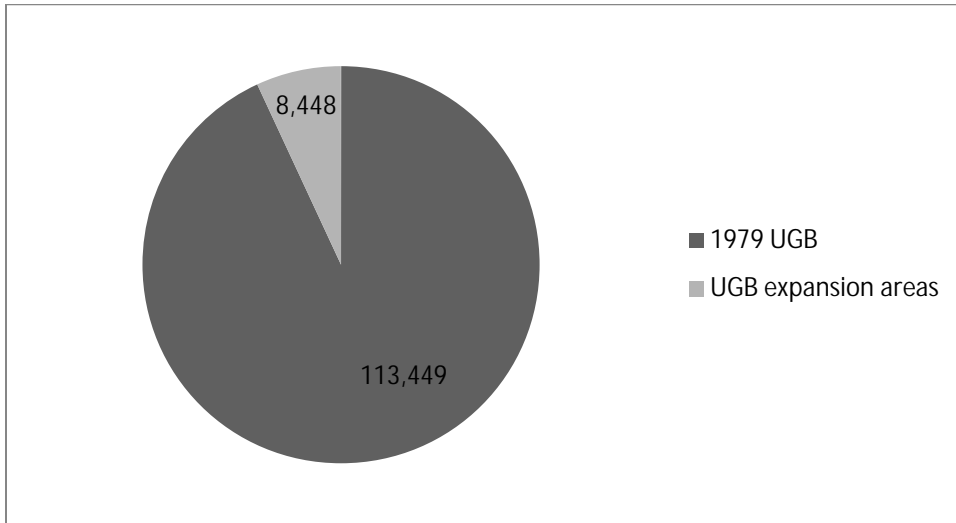
The Metro region's original UGB was adopted in 1979. Under state law, the UGB can only be expanded when there is a demonstrated need that cannot reasonably be accommodated on lands already inside the UGB. Over the years, the UGB has been expanded in most locations around its perimeter, adding approximately 32,000 acres.

Map 1: UGB expansions since 1979



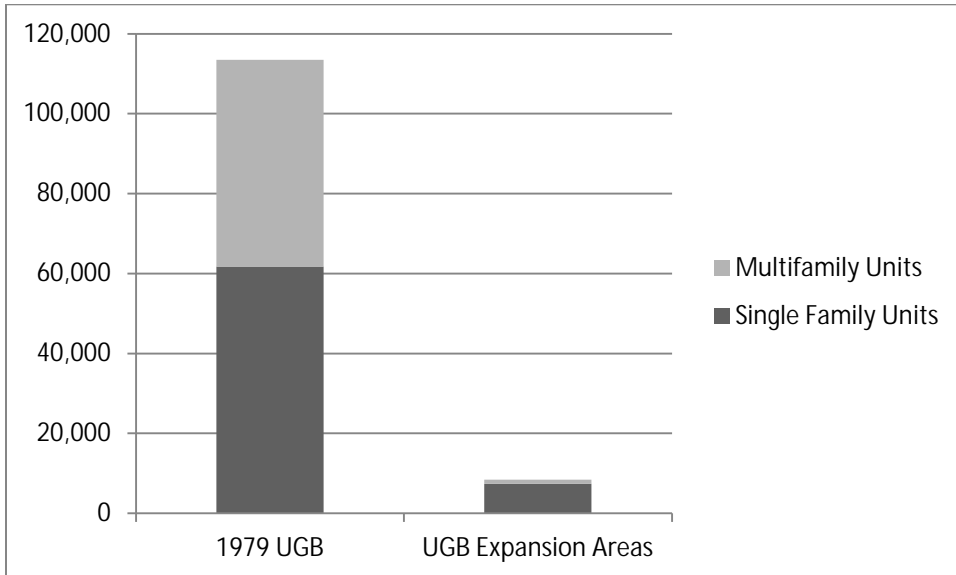
However, housing production has been slow in many of the past UGB expansion areas because of challenges with governance, infrastructure finance, and market demand.

**Figure 1: Permitted new residences in original 1979 UGB and expansion areas (1998 through 3rd quarter 2014)**



As depicted in Figure 1, 93 percent of the new residences permitted over the last 16 years have been inside the original 1979 Metro UGB. UGB expansion areas contributed seven percent of the region’s new housing.

**Figure 2: Permitted new residences by type in the original 1979 UGB and expansion areas (1998 through 3rd quarter 2014)**



As depicted in Figure 2, 54 percent of the new housing permitted inside the original 1979 UGB has been single-family housing. In UGB expansion areas, single-family housing represents 87 percent of the new housing.

The area that is now the City of Damascus was added to the UGB in 2002 and provides the region's most clear example of development challenges in UGB expansion areas. MPAC, Council, and others have expressed an interest in discussing the challenges associated with Damascus and its implications for the urban growth management decision.

Though Damascus faces many more challenges than most UGB expansion areas, its challenges are unique only in scale and how intractable they appear to be. Other examples around the region include:

- The Springwater area outside of Gresham was added to the UGB in 1998 and has infrastructure funding challenges.
- The Park Place and Beaver Creek Rd. areas outside of Oregon City were added to the UGB in 2002 and have city annexation challenges with voter-approved annexation.
- The Coffee Creek area outside Wilsonville was added to the UGB in 2002 and requires infrastructure investment and site assembly.
- The Brookman Rd. area outside of Sherwood was added to the UGB in 2002. Its annexation to the city has been rejected by voters.
- The South Hillsboro area was added to the UGB in 2011 after years of planning. Its development will require hundreds of millions of dollars of investments in infrastructure.

Several areas added to the UGB have seen or are beginning to see development:

- The Villebois area of Wilsonville was added to the UGB in 1992 and 2000 and is about half built out with residences.
- The Witch Hazel area of Hillsboro was added to the UGB in 2002 and is mostly built out with residences.
- The N. Bethany area of Washington County was added to the UGB in 2002 and has begun seeing residential construction after much effort to fund the needed infrastructure.

### **Policy questions**

- What are the risks and opportunities of assuming that the City of Damascus will sort through its many challenges and begin producing housing over the next 20 years?
- If development in Damascus appears unlikely over the next 20 years, household growth may either happen elsewhere (under existing plans) or the region may see lower household growth rates (in the range forecast). Are there good policy reasons to plan for one or the other of these two potential outcomes?
- Are there reasons to believe that future UGB expansions would produce significant amounts of housing over the next 20 years when past experience indicates otherwise?
- Is it good policy to add more land to the UGB sooner (assuming there is a need) since it appears that it will take time to produce housing?
- What additional actions or investments may be needed to spur housing construction in past and future UGB expansion areas?

**What are some of the reasons why the draft UGR forecasts growth in Damascus?**

Single-family housing remains the preferred housing type in the region. Recognizing preferences for single-family housing, Metro's economic model shows some absorption of Damascus' single-family housing capacity over the next 20 years.

**What are some of the reasons why it will be challenging to produce this much housing in Damascus?**

While Metro has attempted to build into its economic model proxy assumptions for the many challenges faced by Damascus, those assumptions may not fully recognize the significant governance and finance challenges faced by Damascus. With a model assumption that there will be a ten-year delay before land in Damascus becomes developable, the model indicates that about half of the city's housing capacity is absorbed by the year 2035. Those model assumptions and results may be overly optimistic given the political climate in Damascus. As noted in the draft UGR, the question of what may be feasible in Damascus should be resolved by policy makers instead of through additional analysis. The community's ongoing challenges include:

- Continued attempts at disincorporation
- Continued attempts at property deannexation
- City Charter limitations on spending
- Shortfalls in infrastructure funding
- City Charter requirements for a public vote on a comprehensive plan
- Continued voter rejections of proposed comprehensive plans

**If Damascus is not viable over the next 20 years, where might that household growth otherwise occur?**

To inform policy dialogue, Metro staff conducted a rough analysis of where regional growth may occur if Damascus remains rural. This analysis does not represent any Metro policy direction or decision.

Though Damascus' situation has captured a lot of attention and covers thousands of acres, it is important to keep in mind a sense of proportion with the rest of the region. In the draft UGR's buildable land inventory, Damascus' residential capacity represents about 5 percent of the overall capacity inside the Metro UGB. Consequently, if Damascus is unavailable for urban development, additional household growth is likely elsewhere around the region, all within the bounds of what is allowable under locally-adopted plans and without additional major increases in household growth in any particular location. If Damascus remains rural, Metro staff expect:

- Little discernible change in the number of households that chose to live outside the Metro UGB (for instance in Clark County).
- Little discernible change in average housing costs around the region.
- Little discernible change in average commute distances around the region.