



## **TOD Steering Committee and Executive Session**

**November 12, 2015**

**10:00 a.m. to 11:15 a.m.**

**Metro Regional Center, Room 270**

### **Committee Members Present**

Mark Ellsworth, Chair

Carlotta Collette

Jay Higgins

Derek Abe

Puja Bhutani

Alisa Pyszka

### **Metro Staff and Guests**

Megan Gibb

Meganne Steele

Joel Morton

Jon Williams

Ted Leybold

Lisa Hunrichs

### **I. CALL TO ORDER, WELCOME AND INTRODUCTIONS**

Chair Ellsworth called the meeting to order at 10:03 a.m. and welcomed committee members and guests.

### **II. APPROVAL OF MEETING MINUTES FOR MAY 15**

**Action Taken:** Chair Ellsworth asked if there was a motion to approve the meeting minutes from May 15, 2015. Carlotta Collette made a motion to approve; Alisa Pyszka seconded the motion. The motion was unanimously **approved**.

### **III. STRATEGIC PLAN MAP UPDATE**

Jon Williams introduced an update to the TOD strategic plan map. He explained that the map is used to communicate to developers and jurisdictions the program priorities associated with different stations and bus routes. The areas with strongest transit orientation and strong markets typically do not qualify for TOD support. However, the program guidelines allow for support of affordable housing or other innovative projects. In areas that have moderately strong markets or average urban form, the program seeks to support higher density projects that might not otherwise be feasible. In areas where the urban fabric or market is weak, staff would seek partnerships with a local jurisdiction to support further planning and economic development activities.

Projects are considered on a case by case basis.

The last update to this map was completed in 2011. Since then, the region has experienced a stronger real estate market and an expansion of the high frequency bus network.

Jon noted that one station area has very strong market strength but scores lower on factors contributing to the urban fabric. Staff re-categorized this kind of example as an option for planning and partnership.

Jon said that factors contributing to the TOD score impact the urban fabric. These factors are: linear feet of sidewalk and bicycle lanes, block size, density of retail amenities, population and employment density and quality of transit service. All are equally weighted and then indexed. Downtown Portland and a couple of other core areas are excluded from the index to prevent skewing.

Sales prices on commercial and multi-family housing are used to provide a value of the product compared to the cost of building new construction; this gives a sense of cost of construction type. There are some areas that have inadequate data. Other areas, such as Orenco and Gresham Civic, yield data that skews the results.

Jon reviewed the rest of the document with the committee. He presented a scatter chart that illustrates the MAX line stations and how each area aligns with the TOD scores. The committee discussed the chart and meaning of the clusters.

Jon explained that if the market strength and orientation score reflects strong sales prices for existing product in areas, he can infer that if there were a vacant site, the developer could create a profitable project without assistance from the TOD program. He talked about Bybee, which is in the middle range of urban fabric and has high market desirability.

Councilor Collette asked that a date be added to maps when they are created.

Jon shared that TriMet bus routes 9, 33 and 56 have been expanded and service increased. There has been an increase in market strength noted along I-205, in North Portland and in a section of the Southwest Corridor. Jay Higgins said that as TriMet receives increased funding, services will be increased.

Jon said that the chart is draft and invited committee members to email comments and questions. He will be presenting this information at an upcoming Metro Council work session, at the Transportation Policy Advisory Committee (TPAC) and at the Joint Policy Advisory Committee on Transportation (JPACT).

Councilor Collette shared that the McLoughlin Boulevard from Tacoma Station to Willamette Falls will be examined through the lens of economic development and community building. Megan Gibb said that if there were a role for the TOD program, Clackamas County could be a partner.

Jon said that most urban form changes have been driven by changes in the market. He talked about Lents, where the score went down. Developers have approached staff with possible Lents projects. Where market is weak, and if there is a public agency that can fill that gap, the TOD program could partner with them. Without another public partner, the developer could not

achieve the goals of the TOD program. The Portland Development Commission has a lot of undeveloped property in Lents.

Megan said TOD staff are hearing interest in development along Highway 99 within the Southwest Corridor. Puja Bhutani shared that the City of Portland's mixed use zone bonus incentive program is changing drastically in favor of affordable housing. Once finalized, it will impact the data on this map.

#### **IV. WORK PLAN UPDATE**

Jon introduced the work plan update, saying that the housing choice program, which expands income diversity, will result in an addition of regulated affordable housing and potential workforce housing in the region. The TOD program considers projects that bring affordable housing into areas where it would not otherwise occur. To date, 20% of units built as part of the TOD program consist of regulated affordable housing, for a total of 729 of 3,296 units.

There are challenges. In a strong market, market rate developers consistently outbid affordable developers for sites. In a weaker market, affordable projects have a higher value because of subsidies available to them. This results in more economically homogenous communities and a concentration of affordable housing in some geographic areas and a lack in others.

Household travel behavior data reveals that lower income households are very good transit customers; utilization is high and more trips are generated. Most trips are for job commutes. Where transit is best, there is the greatest access to jobs, the cost is higher and it is harder for affordable developers to secure building sites. Project goals are to preserve and promote income diversity and enhance opportunities for affordable housing in areas where transit is well-utilized or could be useful for work commutes.

Megan mentioned that HUD is developing guidance for recipients of federal housing funds on planning new affordable housing projects; it will no longer allow a concentration of poverty. Cities will be required to do assessments of areas that have a concentration of poverty.

Jon explained that when staff review a potential TOD project, they look at three factors: financial burden (currently cost premiums), the value of induced transit ridership, and demonstration of the developer's financial need. Proposed changes would recognize that in areas with high rents, an affordable housing project has less value than a market rate project; the lost value will be used as a cost premium. In addition, lower income households typically make greater use of transit, and this would be considered in calculating the value of induced ridership. The goal is to encourage affordable housing developers to consider sites in higher cost and gentrifying neighborhoods. It is unclear how the City of Portland's mixed use zone changes will impact developers' willingness to incorporate affordable housing into their projects. If there were density bonuses tied to affordable housing, staff evaluating the financial burden of including affordable housing would need to consider the value of density bonus versus the lost income associated with affordability. Overall this could allow more affordable projects to be supported in Infill and Enhance areas.

Jon pointed out specific changes to the wording of the Work Plan. Megan reminded the committee that the Work Plan goes through the 7 day notice process.

The committee talked about how the changes to sections 4a and 6a could positively impact and incentivize the ability of an affordable developer to build.

Megan suggested that staff could bring a project example to the Metro Council work session to clearly illustrate the impact that these changes could have. Staff will present at Council, TPAC and JPACT in January and would like to introduce the changes to developers immediately afterwards.

#### **EXECUTIVE SESSION**

#### **EXECUTIVE SESSION HELD PURSUANT TO ORS 192.660(1)(e), DELIBERATIONS WITH PERSONS DESIGNATED TO NEGOTIATE REAL PROPERTY TRANSACTIONS.**

Chair Ellsworth declared an Executive Session at 10:49 a.m., pursuant to 192.660(1)(e), for the purpose of deliberating with persons authorized to negotiate real property transactions to discuss the proposed cancelation of two projects: Project X and Miss & Cook.

**Members present:** Mark Ellsworth, Councilor Carlotta Collette, Alisa Pyszka, Jay Higgins, Derek Abe and Puja Bhutani.

**Staff present:** Megan Gibb, Joel Morton, Meganne Steele, Jon Williams and Lisa Hunrichs.

**Time executive session started: 10:49 a.m.**

**Time executive session ended: 11:05 a.m.**

#### **V. ACTION ITEM: PROJECT CANCELATIONS**

**Action taken:** Chair Ellsworth asked the committee if there was a motion to authorize cancelation of the Miss & Cook and Project X projects. Alisa Pyszka made a motion to approve. Puja Bhutani seconded the motion. The motion was unanimously **approved**.

#### **VI. STAFF UPDATES**

- Projects

Jon said that the Furniture Store RFQ closes on December 17. Three to six proposals are anticipated. The advisory committee will reconvene in early January. The recommendation will come to the TOD Steering Committee and to Metro Council. Examples of similar projects include 4<sup>th</sup> Main in Hillsboro, the Crossings in Gresham and North Main Village in Milwaukie.

- Land Acquisition

Megan does not have an update at this time.

- Budget

Jon handed out an updated budget and reviewed it with the committee.

- 2016 Meeting Schedule

The 2016 meetings have been scheduled for the second Thursday of each month. An Outlook appointment has been sent to committee members.

Chair Ellsworth noted Meganne Steele's upcoming retirement and commended her professionalism, knowledge, creativity and many other positive attributes that have sustained the TOD program. The committee commended and thanked Meganne for her work.

**VII. ADJOURN**

There being no further business, Chair Ellsworth adjourned the meeting at 11:19 a.m.

*Respectfully submitted by  
Laura Dawson Bodner*

Attachments to the Record:

Item	Topic	Document Date	Description	Document Number
1	Budget	For period ended 10/31/15	TOD FY 2015-16 Budget Report	111215tsc_01