



METRO POLICY ADVISORY COMMITTEE (MPAC)

Meeting Minutes

April 11, 2018

Metro Regional Center, Council Chamber

MEMBERS PRESENT

Emerald Bogue
Steve Callaway
Sam Chase
Denny Doyle (*Chair*)
Chloe Eudaly
Amanda Fritz
Mark Gamba
Linda Glover
Jeff Gudman
Kathryn Harrington
Jerry Hinton
Gordon Hovies
Nathan Phelan
Craig Prosser
Martha Schrader
Mark Watson

AFFILIATION

Port of Portland
City of Hillsboro,
Metro Council
City of Beaverton, Second Largest City in Washington County
City of Portland
City of Portland
City of Milwaukie, Other Cities in Clackamas County
City of Vancouver
City of Lake Oswego, Largest City in Clackamas County
Metro Council
City of Gresham, Second Largest City in Multnomah County
Tualatin Fire and Rescue, Special Districts in Washington County
Peninsula Drainage District #1, Special Districts in Multnomah County
TriMet
Clackamas County
Hillsboro School District Board of Directors, Governing Body of a School District

ALTERNATES PRESENT

Gretchen Buehner
Carrie McLaren
Brenda Perry

AFFILIATION

City of King City, Other Cities in Washington County
Oregon Department of Land Conservation and Development
City of West Linn, Other Cities Clackamas County

MEMBERS EXCUSED

Ed Gronke
Don Trotter

AFFILIATION

Citizen of Clackamas County
Clackamas County Fire District #1, Special Districts in Clackamas County

OTHERS PRESENT: Adam Barber, Laura Weigel, Kari Schlosshauer, Anna Slatinsky, Jennifer Hughes, Emily Klepper, Jennifer Donnelly, Chris Deffebach, Richard Swift

STAFF: Nellie Papsdorf, Ernest Hayes, Miranda Mishan, Megan Gibb, Alison Kean, Andy Shaw, Jes Larson, Craig Beebe, Ramona Perrault, Jamie Snook

1. CALL TO ORDER, SELF INTRODUCTIONS, CHAIR COMMUNICATIONS

Chair Doyle called the meeting to order at 5:01PM.

2. PUBLIC COMMUNICATIONS

Kari Lyons, Welcome Home Coalition: Ms. Lyons discussed the importance of placing houseless people in affordable homes. She emphasized that the regional housing bond could bring in up to \$1 billion, and asked staff to work towards bringing in this amount. Ms. Lyons asked MPAC members to support the bond.

Diane Linn, Proud Ground: Ms. Linn emphasized the need for housing stability and the importance of focusing on housing families. She noted that they were in support of comprehensive plans in the regional bond and were supporting the Welcome Home Coalition and communities of color.

Kari Schlosshauer and Mary Kyle McCurdy, Getting There Together Coalition: Ms. Schlosshauer and Ms. Kyle McCurdy expressed support for the Welcome Home Coalition. They advised that MPAC continue to work on mitigating displacement, and ensure that communities of color were prioritized. Ms. Schlosshauer and Ms. Kyle McCurdy conveyed the need to integrate the housing bond measure with the transportation investment bond.

Jenny Lee, Coalition of Communities of Color: Ms. Lee advocated for homeownership, and noted that homeownership should become a value and a goal in the housing bond. She explained that it was a powerful opportunity for low income families to raise their children, create intergenerational wealth and address ongoing discrimination within homeownership.

3. COUNCIL UPDATE

Councilor Kathryn Harrington recounted the work being done by the Regional Investment Stakeholder Taskforce. She discussed the recent event to commemorate the assassination of Reverend Dr. Martin Luther King, Jr. and highlighted the collaboration of faith, union and government leaders to celebrate Dr. King Jr.'s life.

Councilor Harrington highlighted construction and improvements at Oxbow Regional Park. She explained that there would be the addition of a 2600 sq. ft. welcome center for the parks team as well as materials to create a welcoming experience for visitors. Councilor Harrington conveyed that there would be an additional seventeen campsites added and an accessible playground. She added that this was happening as a result of voter approved investments.

4. MPAC MEMBER COMMUNICATION

Commissioner Amanda Fritz provided a summary of the affordable housing work and the growth of affordable housing units in the City of Portland.

Commissioner Martha Schrader discussed the letter from Clackamas County to MPAC regarding the housing bond that was distributed to MPAC members at the meeting. She shared some of the development of affordable housing in Clackamas County and highlighted some of the county's specific needs. Commissioner Schrader emphasized the need to frame need in terms of poverty.

5. CONSENT AGENDA

5.1 Consideration of March 14, 2018 Minutes

Commissioner Fritz asked that she be marked as present in the minutes.

MOTION: Councilor Gudman moved and Mayor Steve Callaway seconded to adopt the consent agenda with the changes to the minutes.

ACTION: With all in favor, the motion passed.

6. INFORMATION/DISCUSSION ITEMS

6.1 Regional Housing Measure Update

Chair Doyle reminded MPAC members that finding an affordable home was one of the most pressing challenges facing the region, particularly those with very limited incomes. He explained that Metro was working with public and private partners to develop a recommended ballot measure proposal to create and protect affordable homes throughout the region.

Chair Doyle shared that Metro staff last presented the work plan for this effort to MPAC on February 14th, and at they were returning for an update and a discussion of what was to come. He introduced Mr. Andy Shaw, and Ms. Jes Larson, Metro staff.

Key elements of the presentation included:

Mr. Shaw provided a broad overview of the housing bond framework. Ms. Larson shared an update on the housing measure engagement timeline, and explained that they were working towards the draft framework and the steps they were taking to work on the draft framework with various jurisdictions and stakeholders.

Ms. Larson shared what they expected to be covered in the measure framework, including the scope, eligible program activities, outcomes, accountability, next steps and racial equity. She explained some of the discussions that were being had by the advisory tables, and the broader goals of each group.

Ms. Larson highlighted the community values that were guiding the stakeholder tables and the feedback they had heard from community members throughout the process so far. She noted the emphasis on furthering racial equity in the measure.

Ms. Larson recalled that the work of advancing racial equity would show up in the targeted communities, and that preventing displacement was necessary. She recounted the preliminary scenarios of the housing bond and the potential outcomes. Ms. Larson explained the research on partner capacity, racial equity and public opinion and some of the strategies they were using including contracting with community groups and polling. She noted that voter interest in the bond was significant.

Ms. Larson highlighted the next steps, specifically the community engagement that was coming up. She highlighted that the draft framework would come to MPAC on May 9.

Member discussion included:

- Commissioner Eudaly discussed eligible program activities, and asked if there was conversation about home ownership opportunities for low-income communities. She remarked that 66% of people polled supported a fifty cent tax increase.
- Ms. Larson shared that general obligation bonds were required to be used on things owned and operated by the public and under the current constitution home ownership was not eligible for funding with the bond. She noted that with the addition of the constitutional amendment, home ownership could be funded.
- Commissioner Eudaly asked how that would line up with the amendment process. Mr. Shaw shared that the bond and the constitutional amendment would be on the ballot together. He added that there could be opportunities for home ownership if the constitution was amended.
- Commissioner Schrader asked if Mr. Shaw could repeat the list of community partners. Mr. Shaw listed the groups, and explained that they were selected because they proposed doing outreach in all areas of the region.
- Councilor Jerry Hinton asked if they were thinking about the bond as \$50 million. Ms. Larson clarified that they were thinking about \$500 million. Councilor Hinton asked about the number of units that could be generated from the bond. Ms. Larson explained that the modeling was still underway and the constitutional amendment would have a significant impact on the number of units built. Mr. Shaw recalled that they were hesitant to make estimates because the technical table was still modeling the potential number of units.
- Councilor Hinton asked if the polling was done just for homeowners or the public at large. Mr. Shaw confirmed that it included both renters and

homeowners. Councilor Hinton shared that he would like to focus on slum and blight in terms of acquisition.

- Councilor Gretchen Buehner raised concerns about the elderly population, and emphasized the need to pass the constitutional amendment. Mr. Shaw reminded MPAC that Metro staff was not able to advocate for the constitutional amendment, but that elected officials were able.
- Commissioner Fritz highlighted the importance of looking at acquisition over construction, because they could provide safeguards for at-risk tenants. She shared the City of Portland's plan for low income housing, and expressed hope that MPAC and Metro staff were thinking about not only the physical structures of homes but how people are successful in housing.
- Commissioner Eudaly shared that the region was seeing a slow down in unit costs which was an indicator that a shallow recession was impeding. She asked if Metro was consulting economists. Mr. Shaw explained that they had not yet done the shorter term forecasting necessary to understand the impacts of a recession.
- Mayor Callaway conveyed that the public had to know the details of the bond, and the returns of the tax needed to be made clear. He emphasized the need to think about flexibility and how needs could be met in all communities. Mayor Callaway highlighted the importance of wealth building in communities of color, and the need to invest in these communities and neighborhoods.
- Mayor Mark Gamba noted that the changes made by a half a billion dollar housing bond would not be visible to most people, and that doubling that amount should be explored in the next set of polls. He discussed the importance of serving homeless families by focusing on units with more bedrooms.

6.2 Trends behind the Regional Population Forecast: Migration and Demographic Change

Chair Doyle explained that one of MPAC's primary responsibilities was to provide policy advice to the Metro Council as they planned for regional population and employment growth. He noted that in September they would be asked to provide the Metro Council with advice on the 2018 Urban Growth Management decision.

Chair Doyle expressed that the following presentation would recount the factors that were influencing population and employment growth in the region and nationwide. He introduced the panelists, Ms. Sheila Martin, from the PSU Institute of Portland Metropolitan Studies, Mr. Tom Potiowsky, PSU Northwest Economic Research Center, Mr. Bill Reid, PNW Economics, and the panel moderator, Mr. Craig Beebe, Metro.

Chair Doyle asked Ms. Megan Gibb to provide some context regarding the growth management decision process. Ms. Gibb shared that Metro relied on employment

and population forecasts to make Urban Growth Management decisions. She added that the full report on demographic trends would be published in the Urban Growth Report.

Key elements of the presentation included:

Mr. Beebe explained that one of the findings of the forecast was that the Metro region had rebounded from the great recession. He asked what lessons were learned from the recession and which were most relevant at the regional level.

Mr. Potiowsky explained that one of the lessons learned was that in economic crises the government had to step in. He proposed that the government could step in to get people back into the labor force.

Ms. Martin shared that household formation slowed down in the recession, and building was at a standstill, but as the recession ended demand for housing increased as people were able to form households and the region could not accommodate this demand. She remarked that they could have done land banking to house people and provide incentives for builders to build houses and mitigate lack of investment in order to even out the house-building cycle.

Mr. Reid explained that the recovery of the recession was not started with a lot of land for single family homes that were ready for building, and there was not a lot of capacity when the economy moved and migration to the region increased.

Mr. Beebe asked what the largest sources of uncertainty on the economy were.

Mr. Reid conveyed that the biggest uncertainty was to do with the fact that they were at an unprecedented level of buildable land, and the biggest risk moving forward was the unavailability of cities and counties for meeting resident's needs.

Mr. Potiowsky spoke to the changing federal trade policies that were putting tariffs on trade, and expressed concern about a trade war, and that products from Oregon to China would be impacted. He acknowledged that demand could increase and supply would not be able to keep up, leading to higher inflation which would increase land prices.

Ms. Martin conveyed that they did not know how major industries might change the business models to deal with constraints. She added that the region had an aging population but did not have the resources to serve the aging population model moving forward. Ms. Martin added that health care might change its service model to deal with the needs of the population without building many more hospitals.

Mr. Beebe asked if there were concerns about the widening income gap, and if the panelists had any ideas about mitigating the negative impacts of the increasing gap.

Mr. Potiowsky cautioned against regional policy for income redistribution, and suggested that such a situation might cause social unrest.

Ms. Martin explained that as more communities of color came to the region there was a need to be more inclusive and that employers needed to move away from the idea that employees needed to “fit the culture” of the company. She conveyed that this would prevent inclusivity. Ms. Martin noted that opportunities were opened up by a tight labor market, and employers had to be willing to invest in training to ensure that people were productive and had a good job experience.

Mr. Beebe asked if the region was experiencing typical changes.

Mr. Reid acknowledged that a lot of what was happening in the region was happening in other areas.

Mr. Beebe asked panelists to recount some of the reasons that people were moving to the region and asked if the demographics were changing.

Mr. Potiowsky explained that when an area reached full employment, the economy slowed down. He added that it was difficult to say if the region was changing because it was at full employment or if it was becoming a more expensive place to live.

Mr. Reid added that in the last six months there had been research that showed that millennial home buying had only started in the last year. He explained that housing ownership options for millennial’s would be critical moving forward.

Ms. Martin expressed the importance of continuing to explore providing a variety of different ways for people to get into housing. She highlighted the importance of making denser living easier, and noted that densifying would protect farms and forests. Ms. Martin cautioned that this could cause the region to become an enclave for the rich.

Mr. Beebe asked if the region was preparing for changes in housing preferences.

Mr. Reid shared that data on home buying preferences was consistent with rental preferences. He recounted that people wanted to be able to live in an urban environment, and that it was necessary to deliver affordable homes with desired qualities.

Ms. Martin remarked that people were returning to central cities because they had become safer, and that this had encouraged people to stay in cities. She emphasized the need to invest in central cities so that they were desirable places to live.

Mr. Potiowsky conveyed that millennials were a demographic cohort that was putting off traditional expenditures and not buying homes. He shared that desirable neighborhoods may be too expensive and the pressure would come to the suburbs which would have impacts on the UGB and transit issues.

Member discussion included:

- Mayor Gamba asked if there had been work done to show wages compared to housing costs on the basis of generations. Ms. Martin shared that low-income renters were often the most cost burdened. Mayor Gamba suggested that they were not thinking about the magnitude of the differences in wages over generations. Ms. Martin noted that this work could be done.
- Mayor Gamba asked about how automation would affect the work force. Mr. Reid suggested that the notion that automated technology would soon be a part of everyday life was exaggerated and speculative.
- Mr. Potiowsky remarked that technology opened up new jobs but the problem was workers transitioning into these new jobs that incorporated new technologies.
- Ms. Martin emphasized the importance of life-long learning as a key to resiliency. She conveyed that policies that resisted changes could work against the population.
- Councilor Buehner asked how the population growth ratio was changing. Mr. Potiowsky explained that Washington, Clackamas and Clark County were going to grow soon. Ms. Martin added that migrants to the region came from a wide variety of areas.
- Councilor Buehner asked if there would be an influx of migrants from Appalachia like in the early twentieth century. Ms. Martin explained that the jobs that were growing in the region would not likely attract the kinds of workers that might migrate from Appalachia.
- Mr. Mark Watson asked Mr. Potiowsky about his views given on the housing bond given his cautions against redistributive policies. Mr. Potiowsky explained that he favored the housing bond because there was a need to provide housing. He expressed support for the public sector providing goods when there was demand.
- Councilor Gudman noted that on the topic of generations, the biggest difference for millennial's was education debt. He asked what the ideal densification number was for the seven county areas. Councilor Harrington expressed that studies showed that high density was possible, and design was of high importance. Mr. Potiowsky agreed and explained that design could make an area livable or not.

7. ADJOURN

MPAC Chair Doyle adjourned the meeting at 7:02 PM.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Miranda Mishan", with a horizontal line extending to the right.

Miranda Mishan
Recording Secretary

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF APRIL 11, 2018

ITEM	DOCUMENT TYPE	DOC DATE	DOCUMENT DESCRIPTION	DOCUMENT No.
4.0	Handout	4/10/18	Letter from Clackamas County Board on the Housing Bond	041118m-01
6.1	Handout	3/13/18	Regional Housing Measure Framework: Advisory tables	041118m-02
6.1	Presentation	4/11/18	Regional Housing Measure: Update PowerPoint	041118m-03