

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF PROVIDING)	RESOLUTION NO. 18-4914
DIRECTION TO METRO STAFF REGARDING)	
THE 2018 URBAN GROWTH REPORT AND)	Introduced by Chief Operating Officer Martha
EXPANSION OF THE URBAN GROWTH)	Bennett in concurrence with Council
BOUNDARY)	President Tom Hughes

WHEREAS, in 2007 the Oregon Legislative Assembly enacted Senate Bill 1011, authorizing Metro and the three counties in the Metro region to designate urban and rural reserves; and

WHEREAS, in 2010 the Metro Council adopted amendments to Title 11 of the Urban Growth Management Functional Plan requiring cities to prepare concept plans for urban reserve areas prior to those areas being added to the Urban Growth Boundary (UGB); and

WHEREAS, in 2010 the Metro Council adopted amendments to the Regional Framework Plan identifying six desired outcomes and characteristics of a successful region, in order to guide Metro in decision making; and

WHEREAS, in 2017 Metro, Multnomah County and Clackamas County re-adopted urban and rural reserves in those two counties following the remand from the Oregon Court of Appeals in 2014; and

WHEREAS, urban and rural reserves in Washington County were acknowledged in 2015 by the Oregon Legislative Assembly via House Bill 4078; and

WHEREAS, on March 16, 2018 the Land Conservation and Development Commission adopted a final order acknowledging the urban and rural reserves in Multnomah County and Clackamas County as being in compliance with state law; and

WHEREAS, the Metro Council made its most recent determination of the UGB’s growth capacity in 2015 by adopting Ordinance No. 15-1361; and

WHEREAS, as part of Ordinance No. 15-1361 the Metro Council ordained that Metro would work with its regional partners to explore possible improvements to the region’s residential growth management process; and

WHEREAS, in May of 2016 Metro convened an Urban Growth Readiness Task Force consisting of public and private sector representatives to develop recommendations for such improvements; and

WHEREAS, on February 2, 2017 the Metro Council adopted Resolution No. 17-4764, which accepted the following three key concepts adopted by the Task Force for improving the growth management process: (1) clarify expectations for cities proposing modest residential UGB expansions into concept-planned urban reserves; (2) seek greater flexibility for addressing regional housing needs, in part through changes to state law allowing for mid-cycle UGB expansions up to 1000 acres; and (3) seek greater flexibility when choosing among concept-planned urban reserves for UGB expansions; and

WHEREAS, the Task Force also recommended that Metro adopt changes in its decision-making processes to implement the three key concepts in taking an outcomes-based approach to growth management focused on specific UGB expansion proposals made by cities; and

WHEREAS, on December 14, 2017 the Metro Council adopted Ordinance No. 17-1408, which adopted amendments to Title 14 of the Urban Growth Management Functional Plan (UGMFP) in order to implement the recommendations of the Task Force to create a more flexible approach for future UGB expansions in the Metro region focused on the merits of city proposals; and

WHEREAS, in early 2017 the Metro Council approved a work program for making a growth management decision in 2018, including a directive that the 2018 decision should be conducted with an emphasis on an outcomes-based approach and a focus on the merits of city proposals for UGB expansions; and

WHEREAS, consistent with that directive Metro staff created a new process for cities to submit proposals for UGB expansions for the proposed expansion areas and a narrative regarding what steps the city is taking toward the goals and objectives described in section 3.07.1425(d) of the UGMFP; and

WHEREAS, the cities of Wilsonville, Hillsboro, Beaverton and King City submitted complete proposals to Metro for UGB expansions by the May 31, 2018 deadline; and

WHEREAS, the four city proposals were reviewed and discussed by the Metro Council, the Metro Policy Advisory Committee, the Metro Technical Advisory Committee, and a City Readiness Advisory Group appointed by the Metro President; and

WHEREAS, on July 3, 2018 Metro planning staff released the draft 2018 Urban Growth Report (UGR), which includes a peer reviewed analysis concluding that the Metro Council has the latitude to determine whether there is a regional need to expand the UGB for housing; and

WHEREAS, on September 4, 2018 the Metro Chief Operating Officer issued her COO Recommendation, analyzing the four city proposals and recommending that all four proposed UGB expansions should be approved by the Metro Council, with specific conditions and recommendations; and

WHEREAS, on September 12, 2018 the Metro Policy Advisory Committee unanimously endorsed the COO Recommendation; and

WHEREAS, in order to finalize the 2018 UGR and prepare for adoption of a Metro Council ordinance expanding the UGB by the end of 2018, Metro planning staff requires guidance from the Metro Council regarding whether some or all of the city proposals should be added to the UGB;

NOW THEREFORE BE IT RESOLVED that:

1. The Metro Council directs Metro staff to prepare a final 2018 UGR that includes the UGB expansion areas as proposed by the cities of Wilsonville, Hillsboro, Beaverton, and King City; and
2. The Metro Council directs Metro staff to include appropriate conditions of approval consistent with the conditions and recommendations stated in the COO Recommendation, including conditions that will ensure an appropriate mix and adequate supply of housing types in the expansion areas, specifically addressing the need for “missing middle” housing

integrated throughout the expansion areas to provide more flexibility for a variety of housing options; and

3. The Metro Council expressly concurs with the COO Recommendation that Metro staff should return to the Metro Council in 2019 with two proposed work programs that:
(a) consider future regional employment trends, and (b) revisit the 2040 Growth Concept.

ADOPTED by the Metro Council this 27th day of September 2018.



Tom Hughes, Council President

Approved as to Form:



Nathan A. S. Sykes
Acting Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 18-4914, FOR THE PURPOSE OF PROVIDING DIRECTION TO METRO STAFF REGARDING THE 2018 URBAN GROWTH REPORT AND EXPANSION OF THE URBAN GROWTH BOUNDARY

Date: September 13, 2018

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BACKGROUND

Council direction in 2015

When making a growth management decision in late 2015, the Metro Council provided additional direction, including:

- Produce a new draft urban growth report within three years.
- Continue working with Clackamas County and Multnomah County to finalize urban and rural reserve designations and to seek acknowledgement of reserves from the Land Conservation and Development Commission as soon as possible.
- Work with its regional partners to explore possible improvements to the region's growth management process.

Metro Council and staff have worked with our partners to successfully address that direction.

Council direction sought now

Resolution No. 18-4914 is intended to provide staff with additional direction. That direction will enable staff to complete required analyses and public notices in time for the Council's December 2018 decision. Specifically, staff seeks Council direction on which proposed urban growth boundary expansions it intends to make in December 2018.

Summary of process to date

Process improvements

In 2010, the Metro Council and its partners made several improvements to the region's urban growth management processes. Those improvements include the adoption of urban and rural reserves, adoption of the requirement that a concept plan be completed for an urban reserve before the area is added to the UGB, the adoption of six desired outcomes in the Regional Framework Plan, and the adoption of an expedited process for considering UGB expansion proposals for employment uses.

The expedited process for employment expansions has been accompanied by Metro's ongoing support and participation in the Regional Industrial Site Readiness partnership. That partnership has maintained an inventory of large industrial sites (25 plus net buildable acres per site) in the UGB, documenting the actions that need to be taken to make them development-ready.

In 2016, Council President Hughes convened the Urban Growth Readiness Task Force, which provided additional suggestions for improving the region's residential urban growth management process. The Task Force included mayors, county commissioners, and representatives from the Oregon Department of Land Conservation and Development, 1000 Friends of Oregon, and the Home Builders Association of

Metropolitan Portland. The Task Force’s unanimous recommendations were intended to provide the Council with additional flexibility to respond to city proposals for residential urban growth boundary (UGB) expansions. The Task Force also made suggestions for what should be expected of cities making expansion proposals. The Metro Council accepted the Task Force’s recommendations with adoption of Resolution No. 17-4764.

Throughout 2017, Metro staff worked with the Metro Technical Advisory Committee (MTAC) to develop Metro code that would lay out those expectations for cities proposing residential UGB expansions. Based on MTAC and the Metro Policy Advisory Committee’s (MPAC) unanimous recommendations, the Council adopted code amendments in December 2017 with Ordinance No. 17-1408.

In 2017, Metro and a coalition of partners also successfully advocated for changes to state law that provide the region with additional flexibility for responding to city proposals for residential UGB expansions. That legislation enables a “mid-cycle” residential UGB amendment process that the Council may choose to use in 2021 (pending city proposals).

Four city expansion proposals

Four cities – Beaverton, Hillsboro, King City and Wilsonville – submitted UGB expansion proposals by the May 31, 2018 deadline. The four cities have presented their proposals at Council work sessions, MPAC and MTAC. The four cities addressed Metro code requirements in their proposals, including the requirement – adopted in 2010 – that a concept plan be completed before the Council expands the UGB as well as newer factors – adopted in 2017 – that clarify expectations for cities.

Public comment on city proposals

Metro staff conducted an online comment period on the four city proposals from June 8 through July 9, 2018. Public comments have been compiled and summarized in a report that was posted on Metro’s website and made available to the Metro Council and MPAC.

Additional perspectives on city readiness

Recognizing that the Council’s new approach to growth management decisions would benefit from new perspectives, in June 2018 Council President Hughes convened private and public sector experts in affordable housing, parks planning, residential and mixed-use development, multimodal transportation, and equity. City Readiness Advisory Group (CRAG) members were asked to identify the strengths and weaknesses of city proposals. Their discussion was summarized at a Council work session, MPAC and MTAC.

Draft 2018 Urban Growth Report

Metro staff has completed a draft Urban Growth Report (UGR) and presented it to the Metro Council, MPAC and MTAC. The UGR demonstrates that the Council has the latitude to determine whether there is a regional need for the proposed UGB expansions.

Two essential elements of the UGR – the regional range forecast and the buildable land inventory – were peer reviewed by external technical experts. Likewise, Metro subjected its land use model, MetroScope, to peer review.

The UGR’s buildable land inventory methods and results, as well as other modeling assumptions, were discussed at meetings of the Land Use Technical Advisory Group on the following occasions:

6-20-17
9-26-17
10-24-17

11-28-17
12-19-17
1-23-18
2-27-18
3-27-18

In late 2017 and early 2018, a preliminary buildable land inventory was made available to all cities and counties for review. The buildable land inventory included in the draft UGR responds to all edits that were received from cities and counties.

MTAC engagement

MTAC has been engaged in topics related to the 2018 growth management decision for the last two and a half years, including:

3-2-16	Work program update
6-1-16	Urban Growth Readiness Task Force update
7-6-16	Urban Growth Readiness Task Force update
7-13-16	Initial suggestions for addressing recommendations from the Urban Growth Readiness Task Force
8-3-16	Initial suggestions for addressing recommendations from Urban Growth Readiness Task Force
9-7-16	Urban Growth Readiness Task Force update
10-19-16	Metro Title 14 amendments (expectations for cities proposing residential UGB expansions)
12-7-16	Urban Growth Readiness Task Force update
2-1-17	Metro Title 14 amendments (expectations for cities proposing residential UGB expansions)
4-5-17	Work program overview for 2018 growth management decision
4-5-17	Metro Title 14 amendments (expectations for cities proposing residential UGB expansions)
8-2-17	Metro Title 14 amendments (expectations for cities proposing residential UGB expansions)
9-6-17	Recommendation to MPAC: Metro Title 14 amendments (expectations for cities proposing residential UGB expansions)
10-4-17	Goal 14 analysis (locational factor analysis of urban reserves)
2-7-18	Regional population and employment forecast
3-7-18	Buildable land inventory
5-16-18	Goal 14 analysis (locational factor analysis of urban reserves)
6-20-18	UGB expansion proposal presentations by Beaverton, Hillsboro, King City, Wilsonville
7-11-18	Draft UGR; urban reserve alternatives analysis
7-18-18	Summary of CRAG discussions of city expansion proposals

MPAC engagement

MPAC has devoted much of 2017 and 2018 to discussing residential and employment trends and the region's economic outlook, preparing itself to make a growth management recommendation to the Metro Council. MPAC discussions related to the urban growth management decision have included the following:

3-8-17	Work program summary
9-27-17	Metro Title 14 amendments (expectations for cities proposing residential UGB expansions)

9-27-17	Housing trends in Portland and Hillsboro
10-11-17	MPAC recommendation: Metro Title 14 amendments (expectations for cities proposing residential UGB expansions)
10-11-17	Housing trends in Clackamas Co. and Milwaukie
10-25-17	Housing trends in Wilsonville and Beaverton
1-24-18	Housing trends in Tigard
3-14-18	Update on growth management process
4-11-18	Regional population and employment forecast panel discussion
4-25-18	Employment trends panel discussion
6-13-18	Expansion proposals: Hillsboro and King City
6-27-18	Expansion proposals: Wilsonville and Beaverton
7-11-18	Draft Urban Growth Report
7-25-18	Report from CRAG on strengths and weaknesses of city expansion proposals
9-12-18	Chief Operating Officer recommendation; MPAC recommendation

When prompted at its July 11 and 25, 2018 meetings, MPAC did not identify any additional technical questions for MTAC regarding the UGR or city proposals for UGB expansions.

Stakeholder engagement

In addition to MPAC and MTAC engagement and other technical peer review activities, Metro staff has attended a number of stakeholder meetings to describe the growth management process, regional analysis, city proposals, and Chief Operating Officer recommendations.

Chief Operating Officer recommendation

Metro's Chief Operating Officer (COO) issued a recommendation on August 28, 2018. The Metro Council discussed the recommendation at a September 4, 2018 work session and MPAC discussed it at its September 12, 2018 meeting. The COO recommendation is to expand the UGB in the four proposed areas (Beaverton, Hillsboro, King City and Wilsonville) with conditions of approval that encourage a mix of housing.

Metro's COO also recommended that staff return to the Metro Council in early 2019 with proposed work programs to gain a better understanding of changes in the changing economy and to refresh the 2040 Growth Concept.

MPAC recommendation

On September 12, 2018 MPAC unanimously endorsed the COO recommendations.

Next steps

The Metro Council is scheduled to hold two public hearings on September 20 and 27. On September 27, the Council will consider Resolution No. 18-4914, which will provide staff with Council's direction for its intended growth management decision. In response to that direction, staff will work to complete required analyses and public notices in the fall. The Council would then hold two additional public hearings on December 6 and 13, to consider an ordinance that would finalize the Council's 2018 growth management decision and provide any other direction that the Council wishes to give to staff.

ANALYSIS/INFORMATION

1. Known Opposition

Public comments on the four city expansion proposals indicate some opposition to specific UGB expansions. A conservation land trust and other stakeholders have expressed concern that a

conservation easement over a property in the proposed King City expansion area needs to be honored (King City's concept plan for the area indicates a road extension across the property that would not be allowed under the conservation easement). Business interest groups have indicated concern about the regional employment forecast for industrial employment. Various stakeholders have indicated that a mix of housing is needed in any UGB expansion areas.

2. Legal Antecedents

- Statewide Planning Goals 10 (Housing) and 14 (Urbanization)
- Oregon Revised Statutes 197.296, 197.299, and 197.303 (Needed Housing in Urban Growth Areas)
- Oregon Administrative Rules, Division 24 (Urban Growth Boundaries)
- Metro Regional Framework Plan, Chapter 1 (Land Use)
- Metro Urban Growth Management Functional Plan, Titles 11 (Planning for New Urban Areas) and 14 (Urban Growth Boundaries)
- Metro Ordinance No. 15-1361 (2015 growth management decision, which provides direction for this decision process)
- Metro Resolution No. 17-4764 (accepting recommendations from the Urban Growth Readiness Task Force)

3. Anticipated Effects

Staff would complete the 2018 UGR and public notice requirements according to Council direction, positioning the Council to make its formal growth management decision in December 2018. Staff would also work to develop conditions of approval that advance the Council's interests in ensuring a mix of housing in the expansion areas.

4. Budget Impacts

Likely budget impacts are accounted for in current staffing levels.

RECOMMENDED ACTION

Adopt Resolution No. 18-4914.