



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Meeting minutes

Meeting: TOD Steering Committee
Date: March 14, 2023
Time: 3:00 – 4:30 p.m.
Place: Metro Regional Center, room 375

Members: Chair Mark Ellsworth, Councilor Duncan Hwang, Guy Benn, Madeline Baron, Derek Abe, Bob Hastings, Tai Dunson Strane

Staff: Jon Williams, Pat McLaughlin, Andrea Pastor, Laura Dawson Bodner, Eva Goldberg, Eryn Kehe, Joel Morton

I. CALL TO ORDER, WELCOME AND INTRODUCTIONS

Chair Mark Ellsworth called the meeting to order at 3:08 p.m. and welcomed committee members. Eryn thanked all for attending this in-person meeting. She affirmed the work of the team on this plan, noting that the strategic plan is high level and a work plan will follow. Today, staff seek committee feedback on the direction of strategic plan and invites suggestions and questions. The committee can take action today or can defer to a later date.

II. APPROVAL OF MEETING SUMMARY: FEBRUARY 14, 2022

Chair Ellsworth asked if there were any changes to the meeting summary for February 14. Hearing none, he asked for a motion to approve the February 14 meeting summary. Bob Hastings made the motion. The motion was seconded by Derek Abe. The motion was **approved** unanimously.

III. PRESENTATION: TOD PROGRAM DRAFT STRATEGIC PLAN

Jon began, saying the program began in 1998 with the west side MAX expansion. He showed a slide of completed TOD projects and eligible areas which highlighted the number of units, the number of affordable units, annual added transit trips and land use efficiency. He reviewed past strategic plans. In the 2011 plan, there was a shift to a strategic approach which focused funding to make higher density possible. In 2017, workplan changes prioritized affordability. Today, the focus continues to be on affordability, plus partnerships. Jon called out the partnership with APANO, noting that the TOD program purchased the site for Orchards at 82nd, the community shaped the design and APANO held a significant capital campaign to realize community space in addition to affordable housing.

Pat continued, saying that in this strategic plan update there is a focus on racial equity, climate leadership and program stability and growth. He explained the process used to gather input for this update, including speaking with this committee, Metro Council, Metro policy bodies, grant recipients and CBOs. He shared slides on early engagement feedback, including from previous grantees, community based organizations and lastly, technical resources including Metro programs, OHCS Multifamily Program and the Hennepin County TOD program.

Andrea then shared the new mission statement:

Metro's TOD program helps build climate-friendly communities near transit that prioritize the needs of low-income communities and communities of color.

She shared a slide of new desired outcomes:

- Increased transit ridership
- Increased number of affordable housing units near transit
- Demonstrations of climate-leadership in design
- Economic benefits for low-income communities and communities of color
- Places that prevent displacement and meet the needs of communities of color and people with low incomes

She said the plan will set the direction, and that the work plan will detail implementation. Specific focus areas:

- Anti-displacement including requiring affordability, dedicating budget for site acquisition and leveraging solicitations to strengthen community partnerships.
- Align and leverage to maximize impact, including requiring contracting equity goals, pilot workforce equity tracking, requiring climate friendly design, leveraging other public investments.
- Catalytic investments in affordability, including clear requirements, non-competitive applications, early commitments contingent upon results and renewing communications materials.
- Adjust analysis to account for housing needs.
- Update metrics to reflect new program impacts.
- Explore ways to grow, including revering land purchase price, consider making grants recoverable loans, pursue new sources of funding for land acquisition, include site acquisition in future funding measures, partner with TriMet to identify sites and coordinate strategies.

IV. DISCUSSION: TOD PROGRAM DRAFT STRATEGIC PLAN

Eryn asked for questions and comments.

Councilor Hwang said the grants are non-competitive. Has the program ever run out of money? Pat said no. Currently there are lots of affordable projects, a formal process for land acquisition and the program has decreased awards from \$500K. Jon confirmed the intent to decrease grant amounts and that developers prefer a reliable, even if smaller amount of money.

Councilor Hwang said he would like to see support for innovation. Example: Short Stack. Can innovation/catalyzing new construction techniques be part of the goal?

Jon said staff are supporting innovation financially, for example by not requiring them to be tax credit supported projects and that staff can look at other goals.

Councilor Hwang asked if staff are able to track affordable housing projects.

Jon replied yes. Councilor Hwang said he would like to explore recoverable loans, especially the way interest rates are currently.

Jon said they heard positive feedback on Metro having an acquisition loan fund but that the TOD program may not be the best program to manage it.

Guy mentioned the Governor's Housing Production Advisory Committee. The state has to do this; now is the time to push it. TriMet is looking at federal programs as a way to finance affordable projects on TriMet property. However, the programs have Buy America provisions, which are costly. He added three points:

1. The TriMet TOD program tries to do mixed income development. This can bring benefit to a low income neighborhood by delivering workforce housing.
2. The early-in concept: when the developer controls the land, you can put a lien against the land to guarantee outcomes. This is different than the way the TOD currently funds projects, which is at Certificate of Occupancy.
3. Metrics: Rather than the number of units, count the number of people served.

Andrea agreed, giving the example of the Value Inn which produces very different numbers if tallied by number of people served.

Pat clarified the idea of early-in grants, saying staff are thinking of an earlier approval and not necessarily an earlier transfer of funds. Staff are starting to prototype an induced ridership model, taking into account bedroom sizes which staff can add to metrics and provide for the decision-making process.

Madeline asked about alignment with CFEC regulations and if that was considered. She also mentioned the statewide housing needs analysis.

Andrea replied that with the CFEC, there is a lot of alignment, however the TOD program is probably more restrictive. The workplan will provide more details.

Eryn said the program is supportive of legislation, but that it works primarily with developers. The program is attractive to jurisdictions. They are nervous about parking.

Pat added that with SB 8, property owned by public agencies can go over density minimums.

Madeline said the strategic plan and the two-pager should state that TOD is in alignment with the state programs/legislation. She said that affordability and income mixing is valuable. She asked about requiring affordability, saying the program should stay as flexible as possible. Requiring many things could kill a project. She likes the idea of a menu of options.

Bob remembered the planning and building of the MAX orange line. How will we deal with anti-displacement? Land acquisition? He is pleased and emphasized that the TOD program and the strategic plan should speak clearly across the region. Have the big tent pole – we don't have to bring in everything. He likes that it can be a lever. When Metro demonstrates thoughtful, data driven programs, lean into it– that speaks to leadership.

Tai said he likes the idea of early-in. TOD program support is a stamp that the state recognizes. He mentioned culturally specific CBOs: in a scarce environment, would there be set asides for them? Smaller organizations look for opportunities on a different scale. He also suggested flexibility in program design. There could be strategic opportunities at the state level.

Derek agreed with Councilor Hwang's comment about innovation and asked about adding something that speaks to a project's potential or ability to catalyze other projects. Creating places people want to be, should be on the list.

Eryn mentioned the last bullet "places that prevent..." saying also "economic benefits"
Andrea suggested creating a document stating what the committee wants to see in urban design elements.

Bob said things that are not in the strategic plan could instead be demonstrated outcomes.

Chair Ellsworth noted that each person brought up key points. He said he's interested in preserving and improving the importance of Metro. How do we make things work better for communities? How is this program offering something different than another government programs? Placemaking: how does it benefit communities, making them places of refuge, safety, growth, education? He would like to see more prominently in the mission statement: catalyst. Being a catalyst is something the program can do for the region.

Madeline asked what components would be addressed in the work plan?

Eryn clarified that the strategic plan sets the goals and the workplan is how those goals are achieved.

Chair Ellsworth asked if the priorities are in the right order. Does each have equal weight?

Joel clarified that the first bullet on anti-displacement does not mean all units or projects must be affordable. Guy asked if inclusionary housing in Portland would be considered affordable.

Andrea replied that the program would ask for more than the jurisdiction requires.

Councilor Hwang noted that Councilor Gonzalez, TOD SC alternate, would like to share some thoughts. Staff will reach out to him.

Chair Ellsworth proposed that the committee have more for discussion at the next meeting before the committee takes an action.

V. ADJOURN

Chair Ellsworth thanked the committee and adjourned the meeting at 4:39 p.m., inviting the committee to celebrate staff and committee progress on the strategic plan.