



Metro
600 NE Grand Ave.
Portland, OR 97232-2736

Council work session agenda

Tuesday, December 12, 2023 **10:30 AM** **Metro Regional Center, Council Chamber,**
[https://www.youtube.com/watch?](https://www.youtube.com/watch?v=vfTg79Bus2w)
[v=vfTg79Bus2w,](https://www.youtube.com/watch?v=vfTg79Bus2w)
<https://zoom.us/j/615079992> Webinar ID:
615 079 992 or 888-475-4499 (toll free)

This meeting will be held electronically and in person at the Metro Regional Center Council Chamber.
You can join the meeting on your computer or other device by using this link:
<https://www.youtube.com/watch?v=vfTg79Bus2w>

10:30 Call to Order and Roll Call

10:35 Work Session Topics:

10:35 State Legislative Agenda Discussion [23-5979](#)

Presenter(s): Anneliese Koehler (she/her), Metro

Attachments: [Attachment 1](#)
[Attachment 2](#)
[Attachment 3](#)
[Attachment 4](#)
[Attachment 5](#)
[Staff Report](#)

11:00 FY 2024-25 Budget Development Workshop [23-5975](#)

Presenter(s): Marissa Madrigal (she/her), Chief Operating Officer, Metro,
Brian Kennedy (he/him), Chief Financial Officer, Metro,
Cinnamon Williams (she/her), Financial Planning Director,
Metro

Attachments: [Staff Report](#)

12:05 Chief Operating Officer Communication

12:10 Councilor Communication

12:15 Adjourn

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ការគោរពសិទ្ធិពលរដ្ឋរបស់ ។ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬដើម្បីទទួលបានការប្រឹក្សាស្តីពីការរើសអើងសូមទូរស័ព្ទទៅលេខ 503-797-1700 ។ www.oregonmetro.gov/civilrights ។ បើលោកអ្នកត្រូវការអ្នកបកប្រែភាសានៅពេលអង្គប្រជុំសាធារណៈ សូមទូរស័ព្ទមកលេខ 503-797-1700 (ម៉ោង 8 ព្រឹកដល់ម៉ោង 5 ល្ងាច ថ្ងៃធ្វើការ) ប្រាំពីរថ្ងៃ មុនថ្ងៃប្រជុំដើម្បីអាចឲ្យគេបកប្រែសម្រាប់លោកអ្នក ។

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State Legislative Agenda Discussion
Presentations

Metro Council Work Session
Tuesday, December 12, 2023



ECONOMIC PROSPERITY

- **Industrial Site Readiness:** Support legislation that advances solutions to make land inside urban growth boundaries available for industrial development and job creation through infrastructure investment, brownfield cleanup, land aggregation, and other means.
- **Regional Economic Recovery and Growth:** Support legislation that addresses economic recovery for the region including policy changes and funding assistance in line with the Portland Central City Task Force, recovery efforts for arts and culture organizations, and additional business, economic development, and housing support.

HOUSING AND HOMELESSNESS

- **Equitable and Achievable Housing Production:** Support legislation that increases equitable housing production and development including incorporating the Oregon Housing Needs Analysis in urban unincorporated areas and funding for housing infrastructure.

LAND USE

- **Urban Growth Management:** Ensure that the Legislature establishes the policy framework and process for local land use decisions and respects the authority of local governments, including Metro, to make specific decisions on local land use matters. Oppose efforts to legislatively determine specific land use designations in the region or to distort the process of assessing land need by mandating inaccurate analysis.

WASTE MANAGEMENT AND WASTE REDUCTION

- **Equitable and Convenient Electronic Reuse:** Support legislation that provides for better electronic reuse pathways that are more convenient and equitable, like right to repair.

OTHER ITEMS

- **Columbia River Levees:** Support legislation that provides additional revenue tools needed to protect flood safety along the Columbia River and facilitate the transition of the Columbia River levee system management to the Urban Flood Safety and Water Quality District.

METRO COUNCIL 2024 LEGISLATIVE PRINCIPLES¹



GENERAL PRINCIPLES:

- 1. Successful Communities:** Metro supports policy and funding solutions that facilitate the achievement of the six desired outcomes for successful communities that have been agreed upon by the region: vibrant, walkable communities; economic competitiveness and prosperity; safe and reliable transportation choices; leadership in minimizing contributions to climate change; clean air, clean water and healthy ecosystems; and equitable distribution of the burdens and benefits of growth and change.²
- 2. Racial Diversity, Equity and Inclusion:** Metro envisions a region and state where a person's race, ethnicity or zip code does not predict their future prospects and where all residents can enjoy economic opportunity and quality of life. Metro therefore supports legislation that acknowledges past discrimination, addresses current disparities and promotes inclusion in public programs, services, facilities and policies.³
- 3. Tribal Sovereignty:** Metro seeks to support tribal sovereignty through government-to-government relations and coordination with Tribes, exploring opportunities to incorporate tribal interests and priorities into Metro's work and ensuring agency compliance with pertinent cultural, historic and natural resource protection laws. Metro will not supplant any Tribe or tribal organization's efforts on legislative priorities and will strive to coordinate with legislative and policy representatives of Tribes, Tribal organizations and Indigenous legislators to determine if Metro's involvement on any legislative priorities is appropriate.
- 4. Climate Justice:** Metro supports efforts to combat and adapt to climate change and to meet the state's goals for reducing greenhouse gas emissions. To this end, Metro supports state policy and funding solutions that can help to reduce emissions in all of its main lines of business: land use and transportation planning and investment, housing and homeless services, consumption, waste management and solid waste management, parks and natural areas, and operation of visitor venues.
- 5. Preemption:** With respect to issues related to matters of regional concern, Metro's policy and funding authority should not be preempted or eroded.
- 6. Funding:** To ensure a prosperous economy, a clean and healthy environment, and a high quality of life for all of their citizens, Metro and the region's counties, cities, and other service providers must have the financial resources to provide sustainable, quality public services. Accordingly, the Legislature should remove existing restrictions on local and regional revenue-raising authority and avoid enacting new limitations or pre-emptions, and all state mandates should be accompanied by funding.

SPECIFIC PRINCIPLES:

HOUSING:

- 7. Affordable Housing and Homelessness:** Metro supports efforts to ensure that housing choices are available to people of all incomes in every community in our region; to reduce the number of households that are burdened by the combined costs of housing and transportation; to support people experiencing homelessness or at risk of losing housing; and to increase affordable opportunities for home ownership.⁴ To achieve these outcomes, Metro supports legislative actions consistent with Oregon's land use laws that increase the supply of both regulated affordable housing and market-rate housing; provide funding for both housing development and services that support lower-income renters and people experiencing homelessness; and provide reasonable protections for renters against arbitrary and unfair actions.

LAND USE AND URBAN GROWTH MANAGEMENT:

- 8. Oregon's Land Use System:** Oregon's land use planning system provides an important foundation for the prosperity, sustainability and livability of our region; this system reflects the values of Oregonians and enjoys strong public support. The Legislature should exercise restraint and care when considering changes to Oregon's land use system.
- 9. Local Land Use Decisions:** Management of the urban growth boundary is a complex undertaking that involves extensive analysis, public input, and a balancing of many factors. Urban growth management decisions have profound impacts not just on land at the boundary, but on communities within the boundary and on farms and other rural lands outside the boundary. For these reasons, the Legislature should establish the process and policy framework for local land use decisions and should affirm the authority of local governments, including Metro, to make specific decisions on local land use matters.
- 10. Efficient Use of Existing Urban Land:** Land within the urban growth boundary should be used efficiently before the boundary is expanded.⁵ Metro supports policy and funding strategies to facilitate efficient use of existing urban land, including investments in brownfield cleanup and industrial site readiness, as well as policy and zoning reforms that authorize and/or encourage more efficient development in residential and commercial areas.
- 11. Need:** The UGB should not be expanded in the absence of demonstrated need.⁶
- 12. Integration of Land Use and Transportation:** Land use and transportation planning should be coordinated so land uses do not undermine the efficiency and reliability of the transportation system and transportation investments do not lead to unintended or inefficient land uses.⁷
- 13. Annexation:** Cities are the preferred governing structure for providing public services to urban areas, and Metro supports reforms that will facilitate, or reduce barriers to, orderly

annexation and incorporation.

- 14. Fiscal Responsibility:** Funding to support urban development should be generated at least in part by fees on those who directly benefit from that development.

SOLID WASTE:

- 15. Life Cycle Approach:** Metro supports efforts to minimize the health, safety, environmental, economic and social impacts associated with consumer products and packaging throughout all stages of a product's life cycle, beginning with resource extraction and continuing through design, manufacturing, consumption and disposal.⁸
- 16. Product Stewardship/Producer Responsibility:** Metro supports legislation providing that whoever designs, produces, sells or uses a product bears responsibility for minimizing the product's environmental impact throughout all stages of the product's life cycle. Under this market-based approach, the life-cycle costs of a product are internalized into its price rather than being forced onto the general public. This approach also provides an incentive for manufacturers to design and produce their goods in a way that minimizes waste, environmental impact and management costs.
- 17. Equity in the Solid Waste System:** The Regional Waste Plan aims to eliminate disparities experienced by people of color and historically marginalized communities from the full life cycle of products and packaging used and disposed in the region. Metro supports legislation that achieves this by advancing: community restoration, community partnerships and community investment; access to recycling, waste and reuse services and information; good jobs with improved worker health and safety, compensation and career pathways; business opportunities in the local economy; and community health through minimized impacts from system operations - locally and in end markets - and from toxic chemicals in products and packaging. Legislation should require the establishment of targets, standards and compliance processes, as appropriate, to ensure progress toward equity goals.

TRANSPORTATION:

- 21. Transportation Funding:** Providing adequate funding for all transportation modes that move people and freight supports economic prosperity, community livability, public health and environmental quality. For these reasons, Metro supports an increase in overall transportation funding, investments in a safe and balanced multimodal transportation system that addresses the needs of all users, and flexibility in the system to provide for local solutions to transportation problems.
- 22. Climate Justice:** Metro and its regional partners are committed to the Climate Smart Strategy, which includes actions needed to achieve state targets for reducing greenhouse gas emissions from transportation. The state should provide financial support for implementation of the Climate Smart Strategy.

23. Safe and Equitable Transportation: Our region has adopted policies and developed programs to make it safer to walk and bike to school and other destinations, reduce serious traffic crashes and deaths, and reduce the disproportionate impact of traffic crashes and traffic enforcement in low income communities and communities of color.⁹ Metro supports legislation that advances safe and equitable transportation, including more effective and equitable enforcement of speed limits and other safety regulations, greater investment in infrastructure that improves safety (especially in disadvantaged communities), and greater authority for local governments to safely manage their transportation networks.

PARKS, NATURE AND CONSERVATION:

24. Parks and Natural Areas: Our region has invested heavily in protecting water quality and fish and wildlife habitat and providing residents with access to nature and outdoor activity. Parks and natural areas are regional assets that support public health, environmental quality, strong property values and economic prosperity. For these reasons, Metro supports measures to increase local and regional authority to raise revenues to support parks and natural areas and to increase the level of state funding distributed to local governments for acquisition, capital improvements, and park operations.

25. Species Conservation: Metro supports efforts to protect and restore fish and wildlife habitat, to recover threatened and endangered species, and to create a better future for fish and wildlife, both in Oregon and globally.

26. Conservation Education: Metro supports efforts to provide stable and reliable funding to conservation education.

ECONOMIC PROSPERITY:

28. Metro Venues: Because the Oregon Convention Center, Expo Center, Portland's Centers for the Arts and Oregon Zoo contribute millions of dollars to the state and regional economies, Metro supports policy and funding solutions that facilitate the success of these venues in attracting visitors and enhancing the quality of their experiences.

AGENCY OPERATIONS:

29. Firearms and Public Facilities: Metro supports legislation that increases Metro's authority to regulate the carrying of firearms on Metro properties and public venues, and opposes legislation that limits or reduces that authority.

30. Disaster Resilience: Metro supports legislative efforts to improve community disaster preparedness and resilience, with the goal of enabling the Portland region to provide for the immediate needs of its residents and businesses after a catastrophic event and facilitating the region's short- and long-term recovery.

¹ Unless otherwise noted, endnotes refer to applicable policy statements in Metro's [Regional Framework Plan](#) (RFP).

² RFP Chapter 1 (Land Use).

³ [Strategic plan to advance racial equity, diversity and inclusion.](#)

⁴ RFP Policy 1.3 (Housing Choices and Opportunities).

⁵ RFP Policy 1.1 (Compact Urban Form).

⁶ RFP Policy 1.9 (Urban Growth Boundary).

⁷ RFP Policy 1.3.13 (Housing Choices and Opportunities); Transportation Goal 1 (Foster Vibrant Communities and Efficient Urban Form).

⁸ [2030 Regional Waste Plan](#), page 11.

⁹ [2018 Regional Transportation Plan, Chapter 3](#), Safety and Security Policies 1-9 and Transportation Equity Policies 1-7.

METRO 2024 LEGISLATIVE ISSUE IDENTIFICATION

Person completing form/Department: Anneliese Koehler, GAPD

Date: October 25, 2023

ISSUE: Temporary Expedited Urban Growth Expansion Process

BACKGROUND:

Like many other states, Oregon is experiencing a housing production challenge. Since the 2008 housing bubble and Great Recession, housing production has lagged and not kept up with population growth. This has led to rising home prices, high rents and increasing homelessness. The latest statewide estimates from 2020 have Oregon currently in need of an additional 140,000 housing units to meet current needs and forecasts an additional 440,000 housing units needed over the next 20 years.

Upon taking office in 2023, Governor Kotek issued a series of executive orders aimed at addressing the housing and homelessness crisis in Oregon. Included in those orders is a goal of producing 36,000 homes each year for the next ten years with at least 50 percent of the homes being affordable to households making less than 80 percent of area median income (in the past, Oregon has produced about 20,000 homes per year, most of them affordable to those with high incomes).

Over the past year, the Governor's office has advanced multiple policy and funding initiatives aimed at increasing housing production, including administrative and legislative solutions. At the end of the 2023 Legislative session, the Governor's office partnered with legislators on both sides of the aisle and the homebuilding industry to advance a temporary, expedited urban growth boundary proposal to increase housing production. The bill (HB 3414) would have allowed cities to petition Metro for residential urban growth boundary expansions in urban reserves once in the next ten years. This process would have required Metro to expand the boundary without any demonstration of a regional need for more land. The bill required that 30 percent of the housing be affordable (as defined by the bill), minimum densities, and a conceptual plan for development. Under the bill, Metro would determine if the petition met the requirements of the bill and if it did, Metro would be required to expand the urban growth boundary. HB 3414 also applied to other areas of the state with similar provisions. After passing the House, the bill died in the final hours of session on the Senate floor when it failed by one vote.

During the 2023 Legislative Session and shortly after, legislators and advocates raised both policy and process concerns with HB 3414. The Governor's office worked over the summer and into the fall to address both sets of concerns, meeting weekly with Metro and other stakeholders and proposing new draft concepts to reflect input. Those negotiations remain ongoing, and the final proposal is unclear, but staff anticipates that the broad outlines of the proposal will remain the same.

RECOMMENDATION:

Support legislation that increases housing production including making housing land ready for development while exercising restraint and care for Oregon's land use planning system.

LEGISLATIVE HISTORY:

Over the past few legislative sessions, Metro has seen multiple iterations of this bill. Historically, it has been primarily sponsored by the home building industry and Republicans. Until HB 3414, these concepts had yet to make it to a chamber floor.

- HB 3414 (2023) failed on the Senate floor by one vote after passing the House. Earlier versions of this bill (SB 1051, SB 1096, and HB 3620) all died in committees.
- HB 4118 (2022) failed. This bill would have allowed property owners in urban reserves in partnership with cities to bypass urban growth management processes and bring property inside the urban growth boundary. The bill received a public hearing before dying in the policy committee. Out of conversations sparked in part by this bill, the Legislature allocated funding to Department of Land Conservation and Development to convene a workgroup to look at specific parts of the nexus of housing and land supply.
- HB 3072 (2021) failed. This bill would have allowed property owners in urban reserves to bypass urban growth management processes and force local governments to bring property inside the urban growth boundary. The bill passed out of House Housing without recommendation to House Rules where it died.
- HB 4095 (2020) failed. It originally allowed for the expansion of the urban growth boundary by local governments for affordable housing, expanding a pilot project from the 2016 session. In response to concerns raised by Metro and other parties, the bill was amended to require more analysis instead from DLCD about the pilot's outcomes. The amended bill passed the House but died in the Senate due to the walkout.
- HB 4079 (2016) passed. The bill creates a pilot program whereby LCDC may authorize two communities – one larger than 25,000 population, one smaller – to approve UGB expansions of up to 50 acres for affordable housing irrespective of land need. The bill excludes the Metro region from participation.

OTHER INTERESTED PARTIES:

Local governments including cities, counties and special districts have been engaged heavily in the concept. Home builders, developers, realtors, and other private industry stakeholders engaged in housing have also been involved. Land use advocates and environmental groups

including 1000 Friends of Oregon, Oregon League of Conservation Voters and Central Oregon Land Watch also have been significant participants.

IMPACT IF PROPOSED ACTION OCCURS:

The full impact is unclear until staff understands the final proposal, but the likely impact is a temporary, additional path for cities in Oregon to expand their urban growth boundaries with little or no demonstration of need for land. Staff remains dubious that the proposal will be widely utilized by the 241 cities in Oregon, but it is likely that a small but significant number of cities will pursue it, including at least one in the Metro area. The bill will likely be precedent setting in several ways:

- Little to no demonstration of the need for land would be required for an urban growth boundary expansion.
- Affordable housing and density requirements in urban growth boundary expansion areas.
- Metro having less discretionary authority compared to its current processes.

This bill could also lead to competition for affordable housing dollars that are already constrained.

RACIAL EQUITY IMPACTS

Racial equity impacts are unclear. As part of the 2024 Urban Growth Report, Metro intends to compare the socioeconomic and demographic characteristics of households in past UGB expansion areas with the region. Bigger picture, regional housing production benefits all households as does moderates prices, but that production can happen in existing communities close to employment opportunities and services.

Generally, new market-rate construction is not affordable and is often at the higher end of the market. In so much that income is correlated with race, UGB expansions are unlikely to directly increase housing opportunities for BIPOC community members unless affordability is improved. The current proposal does require that 30 percent of the housing built be affordable for low- or moderate-income households. Assuming the affordable housing is built, this bill could modestly increase affordable housing opportunities, but that would not guarantee that BIPOC community members would directly benefit.

Likewise, the number of homes that could be built under this proposal pales in comparison to regionwide housing production, so positive impacts are likely minimal and could generally contribute to disinvestment in services and facilities in existing urban areas where housing production is most needed. Related, housing growth on the urban edge tends to result in higher household transportation costs as these areas are often difficult to serve with transit even at the density levels that would be required under this bill.

CLIMATE IMPACTS

Focusing housing development in new, greenfield urban growth expansion areas as opposed to focusing on redevelopment and infill negatively impacts climate. Urban growth expansion areas

are on the edge of communities, often further away from core services and town centers. Building housing in these areas often requires residents to travel further for work, play and basic needs. Transportation remains one of Oregon's greatest contributors to greenhouse gas emissions, and building communities that require increased transportation time exacerbates the issue. Conversely, building housing inside urban growth boundaries, closer to necessary services and jobs, reduces transportation time and subsequent greenhouse gas emissions.

In addition, while not an intended outcome of SB 100, Oregon's land use system has created more wildfire-resilient communities. The focus on growing up as well as out and limiting outward expansions to only when there is a demonstrated need for housing and employment has limited growth in more fire-prone areas. A dense, tight community helps safeguard against wildfires and builds more climate resilient communities.

METRO 2024 LEGISLATIVE ISSUE IDENTIFICATION

Person completing form/Department: Anneliese Koehler, GAPD

Date: October 24, 2023

ISSUE: Maintaining Levee Safety Along the Columbia River

BACKGROUND:

The area surrounding the Columbia River in urban Multnomah County has been a managed flood plan since 1917. There are four drainage districts that manage 27 miles of levees and 45 miles of canals, culverts, and other conveyances to help reduce the risk of flooding. In the aftermath of Hurricane Katrina in 2005, the federal government overhauled their levee safety system requirements and in 2012, determined that the Columbia River levee system fails to meet the new federal standards. In response, stakeholders came together, and in 2013, the Oregon Governor designated the levee improvement effort as an Oregon Solutions project. Over the subsequent years, stakeholders, including Metro, have worked together to fund technical investigations of the levee system, successfully apply for a US Army Corps of Engineers New Start Feasibility Study, and pass state legislation to create a new special district to manage and fund the levee system in the long run.

Currently there are 5 boards involved with addressing flood management along the Columbia River: the original 4 drainage districts and the new interim special district board that is tasked with creating a long run financial plan and structure that folds all 4 drainage districts into one. Metro owns land along and adjacent to the levee system, holds seats on the PEN 1 Board, the SDIC Board, and the interim Board, and contributes financially to the district both as a property owner and additionally as an interested stakeholder.

Since its formation in 2019, the interim board has researched possible funding mechanisms for capital and operating revenue. While they have successfully identified a feasible mechanism for capital (a General Obligation Bond), the legislation passed in 2019 limited the district to using a utility/service or user fee model for operating revenue. After substantial research, staff, in consultation with municipal partners including Metro, has determined that the utility/service fee approach creates significant legal, technical, financial, and political barriers and is not feasible. Alternative revenue tools are needed and after additional research, staff is proposing two additional funding tools: property tax assessments and an intergovernmental Flood Safety Benefit tax. Both tools require legislative approval and proponents are seeking this authority during the short session.

RECOMMENDATION:

Support legislation that adds additional funding mechanisms to support ongoing operations and maintenance of the flood safety system along the Columbia River.

LEGISLATIVE HISTORY:

In 2019, the Legislature passed SB 431, which created a new flood protection district in urban Multnomah County. This district would eventually consolidate the existing four districts into one and identify an ongoing, stable funding source to facilitate maintenance of the flood protection system. The legislation also authorized an interim board to identify the ongoing funding source and stand up the new district.

The Legislature also authorized \$15 million in lottery bonds for levees statewide in 2019. However, due to the sharp decline in lottery revenue because of the COVID-19 pandemic, the Legislature canceled the issuances of those bonds.

In 2021, the Legislature authorized \$15 million in lottery bonds for levees statewide. Through a competitive process, each of the four districts received \$1 million.

OTHER INTERESTED PARTIES:

Interested parties include the Port of Portland, Multnomah County, the four cities along the Columbia Corridor, the four drainage districts, the interim board, and many interested stakeholders.

IMPACT IF PROPOSED ACTION OCCURS:

The interim board would have the ability to levy two new funding mechanisms to pay for ongoing operations and maintenance for the levee system. The board anticipates referring a general obligation bond to voters in May 2024 and utilizing the two new revenue mechanisms to stand up the ongoing funding for the district by the end of 2024. If both of those things happen, the 4 drainage districts and interim board would dissolve and a new special district with a new board would form.

The direct financial impact to Metro would not be significant. The current drainage districts levy property tax assessments and that assessment authority would pass over to the new district. Only cities and counties will pay the intergovernmental Flood Safety Benefits tax.

RACIAL EQUITY IMPACTS

SB 431, which establishes the new levee district, requires that the levee district imbed equity into their operations. While the new district is yet to be stood up, there are efforts underway already to start that work. This includes a strong focus on workforce development and retention, updating procurement policies to encourage and solicit COBID firms, and including workforce development opportunities in the future General Obligation Bond proposal. In addition, the interim board has adopted an equity policy and workplan.

Compared to the Multnomah County as a whole, portions of the Columbia River floodplain have higher than average Black, Indigenous and people of color populations. Levee district staff worked with Mapping Action Collective to understand the socio-economic vulnerability of the floodplain, and determined that the area had significantly greater vulnerability than other areas of the County. Investing in a strong levee system will help protect the floodplain and its

residents from natural disasters and extreme weather and the subsequent financial and housing repercussions.

Additionally, the floodplain is home to historic Vanport. At one time, Vanport was the most racially diverse city in Oregon, home to many of Oregon's black residents. When the 1948 Flood of Vanport destroyed the city, nearly a third of the residents left homeless were black. Historic Vanport continues to be a place of cultural and historical significance to many in the black community and the broader BIPOC community.

CLIMATE IMPACTS

Creating a strong flood safety system along the Columbia River will help ensure that the region withstands current and future climate impacts. Climate change is creating additional extreme weather events including dangerous flash flooding and high-water levels. A functioning and robust levee is needed to ensure that the residents and businesses in and along the floodplain have protection against these more frequent weather events.

Additionally, SB 431, which establishes the new levee district, requires that the levee district prepare for and adapt to climate change. The levee districts have been focused on addressing this through climate resiliency. Specifically, they have made capital decisions with long-term resiliency in mind, including operationalizing the management of the levee system and their pumps for a significant unknown climate impact to the system. The district is also working to operate their system in a more resilient way through actions like developing seed mixes that are pollinator friendly and native species for planting along the levee system. In addition, the General Obligation Bond proposal includes specific stipulations about investments in nature-based solutions like green infrastructure and more resilient ways to manage water.

METRO 2024 LEGISLATIVE ISSUE IDENTIFICATION

Person completing form/Department: Jenna Jones, GAPD

Date: November 9, 2023

ISSUE: Equitable and Achievable Housing Production

BACKGROUND:

Oregon ranks 4th in underproducing housing in the country behind California, Colorado, and Utah. Oregon's housing undersupply threatens Oregonians' ability to grow sustainably, move toward a more equitable economy, and address the full complexity of the homelessness crisis. Every region of Oregon needs to substantially increase the supply and production of homes. Policymakers have been working on a variety of proposals to increase housing supply and staff anticipates two such proposals during short session.

Equitable Housing Production: Build What's Needed, Where it is Needed, For All

In 2023, the Legislature passed HB 2001 and HB 2889, building upon the housing needs and production work mandated by the state for cities to advance in HB 2003 (2019). Through revamping Oregon Housing Needs Analysis (OHNA), the bills provide a comprehensive, city-by-city estimate of housing need by income, along with data and information about how local housing outcomes vary by race and ethnicity, age, disability status, and other identity markers. When implemented, it will be a regularly updated data suite that can be used to set state and local housing production targets. It provides a more accurate representation of full housing need and a more equitable distribution of affordable housing throughout regions. In the methodology alone, compared to the current methods, the OHNA takes a big step toward equitable housing outcomes by incorporating historic housing underproduction and housing needed for people experiencing homelessness into future production targets and by using regional incomes to project housing need by income level.

In the new OHNA methodology envisioned in HB 2001 and HB 2889, Metro's increased role in the housing space is recognized. With our two-voter approved housing measures, the state recognized the coordinating role that regional governments can play in housing planning and now requires Metro to adopt housing coordination strategies. This could include strategies like identifying shared funding sources, sharing staff capacity, or entering intergovernmental agreements to promote housing production.

Currently, the OHNA only applies to cities. In 2023, the Legislature also identified the need to implement the new OHNA methodology in the large urban unincorporated areas (UUAs) of Clackamas, Washington, and Multnomah counties in the Metro UGB. A workgroup, chaired by Rep Maxine Dexter (D-Portland), has been working on legislation to apply the OHNA methodology to UUAs, and we anticipate that there will be a legislative proposal for short session.

Achievable Housing Production: Infrastructure Funding

One of the most significant barriers to increased housing production across Oregon is infrastructure. Rapid population growth in Oregon combined with aging infrastructure has exacerbated the costly, yet necessary infrastructure needs across the state. Current infrastructure needs to be upgraded to meet increased capacity in already developed areas, and new infrastructure needs to be put in to facilitate housing production in new areas. The high costs of the roads, sewers and pipes is often an unsurmountable hurdle for community members, developers and local governments interested in producing more housing. Local jurisdictions of all sizes in the region and the state do not have the resources and developers struggle to make projects pencil when covering the cost of infrastructure. Smaller communities lack the funds for technical assistance to plan for infrastructure and public facility investments that accompany such growth, and larger communities have the stressed capacity that has created a serious need for assistance.

The solutions for housing production will not happen overnight. Many of our communities in the region want to support and partner in meeting regional population and housing needs. Funding and investment are crucial steps to help our communities meet planning and project development requirements to support infrastructure development and facility development.

RECOMMENDATION:

Support efforts to increase equitable housing production and development including incorporating the OHNA in urban unincorporated areas and funding for housing infrastructure.

LEGISLATIVE HISTORY:

Since 2016, the Legislature has increasingly focused on housing affordability, enacting a series of bills to protect tenants from displacement, address racial disparities in home ownership, and facilitate and fund housing development.

- **SB 1533 (2016)** lifted the pre-emption on local inclusionary zoning that had been passed in 1999, while imposing certain conditions regarding the use of inclusionary zoning.¹
- **SB 1051 (2017)** included several provisions to facilitate the development of affordable housing and “missing middle” housing, including accessory dwelling units (ADUs): shorter permitting deadlines for affordable housing construction, a requirement that communities allow ADUs in single family zones, broader requirements for clear and objective standards, prohibitions on density limitations below zoned density, etc.
- **HB 3012 (2017)** authorized the construction of new homes in rural residential areas (outside UGBs) on parcels that already have a “historic home” built between 1850 and 1945, if the historic home is converted to an ADU.
- **SB 8 (2021)** requires local governments to approve the development of certain affordable housing, and not require a zone change or conditional use permit, on land zoned to allow commercial uses, to allow religious assembly, or as public lands. It also

¹ SB 1533 also authorized cities and counties, but not Metro, to impose a construction excise tax for affordable housing, and lifted the sunset on the pre-emption that prevents Metro from changing or increasing its existing CET.

includes a statewide density bonus for affordable housing in areas zoned for residential use.

- **HB 3155 (2021)** clarifies certain ambiguities created by HB 2003 (2019) and corrects statutory citations to confirm the intent of HB 2003.
- **HB 3261 (2021)** requires local governments to allow the conversion of hotels and motels into emergency shelters or affordable housing, regardless of state or local land use laws, if the application meets specific approval criteria in the bill.
- **HB 5006 (2021)** directed Oregon Housing and Community Services (OHCS) and the Department of Land Conservation and Development (DLCD) to deliver recommendations on how to implement the OHNA in advance of the 2023 Legislative Session.
- **SB 5202 (2022)** gave additional direction to address issues related to land capacity and the implementation of the OHNA.
- **HB 3414(2023)** would have allowed cities to petition Metro for residential urban growth boundary expansions in urban reserves once (per city) in the next ten years. The bill required that 30 percent of the housing be affordable (as defined by the bill), minimum densities, and a conceptual plan for development. This bill failed on the Senate floor on the last day of session.
- **HB 2001(2023)** was the 60-day housing package included the new Oregon Housing Needs Analysis methodology. It prioritizes planning for housing that is needed at various affordability levels and state and local government working towards housing goals together with urgency.
- **HB 2889(2023)** fixes ambiguities and technical errors included in HB 2001 related to the Oregon Housing Needs Analysis. For Metro, HB 2889 clarifies how state estimated housing needs for localities in our region will work with Metro’s Urban Growth Management processes and population forecasts.

OTHER INTERESTED PARTIES:

State partners such as the Governor’s office, Oregon Housing and Community Services, and Department of Land Conservation and Development are leading proposals on housing production. Oregon Housing Alliance and its member organizations, local governments, the Oregon Home Builders Association, Oregon Association of Realtors, Multifamily NW, and other industry groups also have a vested interest in increased housing supply and production.

IMPACT IF PROPOSED ACTION OCCURS:

- Reduce racial disparities in housing.
- Facilitate more housing production.
- Set standards and accountability measures to ensure local governments are not perpetuating inequities in the land use and development system.
- Provide adequate funding for infrastructure to make land ready for needed housing.

RACIAL IMPACTS

Both nationally and in our region, rents are rising faster than incomes, increasingly limiting lower-income households – disproportionately people of color – to housing options in areas with lower access to opportunities and higher concentrations of poverty. Even households with moderate incomes are finding themselves priced out of neighborhoods where they work or go to school. Housing affordability and choice are not only issues of social equity; lack of equitable housing also threatens our economic competitiveness and the livability our region has worked hard to protect. Rapidly rising housing costs in much of Portland and areas in other parts of the region have resulted in displacement of low-income households to areas of increasing poverty farther from job centers and less well served by infrastructure, services, and amenities. Because they have lower average incomes, communities of color are disproportionately impacted by these trends.

Our hope is that OHNA will build housing at more affordability levels across the region in places many folks have been historically priced out of. Additionally, new equitable development strategies will only be as successful as there is funding and adequate infrastructure to meet a growing community's needs. While the new OHNA methodology and funding will have great impacts on housing for BIPOC community members and those with limited means, it will still be important to make sure these development policies do not lead to any unintended consequences like displacement. Displacement can be very harmful to communities and often impacts low-income and BIPOC communities disproportionately.

CLIMATE IMPACTS

Housing is a complex issue at the intersection of public health, racial equity and climate justice. Like the production of many items, new housing development can increase carbon emissions and impacts to the environment. However, housing is a necessity, and therefore, when implementing and supporting housing policies, we must look for greener solutions to mitigate its impacts to the environment. Ensuring that affordable housing funders, jurisdictions, and developers are aligned in supporting climate-smart approaches to creating and maintaining housing is critical to advancing our climate goals. Examples of this include passive design strategies to reduce the need for heating and cooling, green building standards and other environmentally focused strategies to housing production. In addition, we know that climate impacts such as extreme heat and cold pose a particular threat to our houseless, low income and medically fragile community members. It is crucial to center them and their experiences in the strategies to address climate change in housing supply and production. Moving forward, Metro will look to understand emerging best practices to multi-family design and climate resilience strategies that balance considerations related to health/safety, livability, sustainability, durability and cost.

2024 STATE LEGISLATIVE AGENDA

Date: November 27, 2023
Department: GAPD
Meeting Date: December 12, 2023
Prepared by: Anneliese Koehler,
Legislative Affairs Manager

Presenters: Anneliese Koehler, Legislative
Affairs Manager; Jenna Jones, State and
Regional Affairs Advisor
Length: 30 minutes

ISSUE STATEMENT

This work session is an opportunity to discuss Metro Council's objectives for the 2024 Oregon legislative session that will begin on February 5, 2024. The current political climate and proposed legislative priorities will be discussed. This is a final work session before Council adopts their State Legislative Agenda and Principles in January.

ACTION REQUESTED

The Council may wish to discuss specific legislative concepts or principles or direct staff to develop additional legislative concepts before adopting its legislative agenda prior to the start of the 2024 legislative session.

IDENTIFIED POLICY OUTCOMES

Support Metro's policy goals through engagement with the Oregon State Legislature.

POLICY QUESTION(S)

- Does the Council wish to confirm or change existing policy direction under which staff is currently operating with respect to issues that are likely to surface in 2024?
- Are there additional topics for which the Council would like to adopt legislative positions?
- Are there particular legislative positions that the Council would like staff to prioritize in 2024?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

See attached issue sheets and drafts of Council's State Legislative Agenda and Council's Legislative Principles.

STAFF RECOMMENDATIONS

See individual issue sheets, Council's State Legislative Agenda and Council's Legislative Principles.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The 2024 Legislative session is a short session lasting roughly a month. Unlike long sessions, short sessions focus on small, necessary budgetary tweaks, passing technical fixes and a few pieces of policy legislation. It is rare for large, controversial pieces of legislation to pass or significant budget changes to occur. Many parties approach the short session with only one or two minor bills, and legislative leadership limits the number of bills legislators are allowed to file.

Like last session, much of the capitol building will be under construction and the session will be in-person with options to participate virtually. Preparations for session are already under way; bill concepts are being discussed and circulated, and people are meeting to advance policy priorities. Like previous short sessions, staff expects to propose a modest legislative agenda that reflects well-established Council policy and/or legislative priorities that have previously been included in the Council's agenda.

Short session legislative focus

Legislative leadership has indicated a desire to have a calm, uncontroversial short session that focuses on passing only necessary items. Most controversial, larger topics are being pushed to long session with two possible exceptions: Measure 110 reforms and housing production. While both topics have widely supported pieces, parts of each proposal will require substantial legislative conversation and will have competing interest groups and parties. These two topics will be the primary focus of session for many and will leave little appetite for other highly contentious pieces.

Republican walk-out

Implications of the 2023 Republican walkout will likely impact the short session, although exactly how remains to be seen.

In November 2022, Oregon voters passed Measure 113 which changed the state's constitution to bar any lawmaker from running for re-election if they have 10 or more unexcused absences during a single legislative session. This had many parties hoping that walkouts were a thing of the past. However, the majority of Senate Republicans and Independents walked out at the beginning of May 2023 and denied quorum on the Senate Floor until roughly one week before the end of session.

In August 2023, Oregon Secretary of State Griffin-Valade issued an administrative rule implementing Measure 113, clarifying that Measure 113 disqualifies legislators with 10 or more unexcused absences during the 2023 legislation session from running for reelection next year. Several Republican senators have filed an appeal of the rule, arguing that they should be allowed to run. The Oregon Supreme Court has agreed to hear the case, and the date for oral arguments is set for December 14, 2023.

In early November 2023, Republican senators and others filed a federal lawsuit against Senate President Rob Wagner and Oregon Secretary of State Griffin-Valade. The suit argues that the constitutional right to protest is a valid reason to miss Senate floor sessions, clearing the senators to run for re-election.

The outcomes of these cases will likely impact how both parties choose to engage in the short session and beyond. It is unlikely that either of these outcomes will be the end of this political and legal issue. Additional suits, ballot measures, and legislative action are all possible additional steps that could be taken over the next year or two.

2024 Election

The 2024 election will have an impact on the Oregon Legislature and dynamics during session. An unusual number of statewide seats will be up for election, and they are all open seats. Several sitting legislators have indicated an interest or are running for these seats, and this could result in future legislative leadership changes and new legislative members.

Former Oregon Secretary of State Shemia Fagan (D) resigned in May 2023 due to conflicts of interest with the cannabis industry. This results in an open seat in 2024 for Oregon Secretary of State. Oregon State Treasurer Tobias Read (D) and State Senator James Manning (D-Eugene) have filed for the position. In addition, State Senator Steiner (D-Portland) is running for Treasurer. Attorney General Ellen Rosenblum has also indicated she is not running again, and House Speaker Dan Rayfield (D - Corvallis) is running for the seat.

In addition, Oregon's congressional seats have also garnered legislators' interest. Congressman Earl Blumenauer (D) will not be running for re-election, providing an open seat for Oregon's 3rd congressional district. Several Oregon's legislators have indicated an interest in possibly running for the seat. Oregon's Congressional District 5, held of Congresswoman Lori Chavez-DeRemer (R), also has a legislator running for the seat: Rep Janelle Bynum (D - Clackamas).

BACKGROUND

Council adopts a State Legislative Agenda and State Legislative Principles annually. This is the second meeting to discuss the next iteration of Council's legislative priorities and principles.

ATTACHMENTS

- 2024 State Legislative Principles (DRAFT)
- 2024 State Legislative Agenda (DRAFT)
- Maintaining Levee Safety along the Columbia River
- Temporary Expedited Urban Growth Expansion Process
- Leading with Housing Production

[For work session:]

- Is legislation required for Council action? Yes No
- If yes, is draft legislation attached? Yes No
- What other materials are you presenting today?

**FY 2024-25 Budget
Development Workshop**
Presentations

Metro Council Work Session
Tuesday, December 12, 2023

FY 2024-25 BUDGET DEVELOPMENT WORKSHOP

Date: 11/29/2023

Prepared by:
Patrick Dennis

Department: Finance and Regulatory
Services

Presenters:
Marissa Madrigal, Chief Operating Officer
Brian Kennedy, Chief Financial Officer

Meeting Date: 12/7/2023

Length: 1 Hour

ISSUE STATEMENT

The Metro Council develops the agency-wide vision that directs budget development. This is an opportunity for the Metro Council to hear about the regional economy, Metro's financial forecast, and to discuss Council priorities.

ACTION REQUESTED

Discuss Council priorities for the upcoming FY 2024-25 Budget Development with the Chief Operating Officer and Chief Financial Officer.

IDENTIFIED POLICY OUTCOMES

Council's direction will result in a Proposed budget, presented in Spring 2024, that reflects the Metro Council's priorities.

POLICY QUESTION(S)

What priorities would the Metro Council like departments and/or the agency to consider as the FY 2024-25 budget is being developed?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Council can provide a strategic vision and priorities for departments and/or the agency.

STAFF RECOMMENDATIONS

Staff recommend that the Council provide clear priorities for specific departments or the agency to guide the FY 2024-25 budget development.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

- The Metro Budget is a critical policy document that supports the prioritization and financial oversight of services provided
- Investments in the Metro Budget support the advancement of Metro's racial equity goals and climate action goals

Legal Antecedents

- Oregon Budget Law found within Oregon Revised Statutes (ORS) 294.305 to 294.565 dictates several specific steps that must be followed during the budgeting process, most importantly that a budget must be adopted by June 30th of every year.

BACKGROUND

Metro Council approves and adopts the agency-wide budget annually that spans July 1 through June 30. Metro Council provides the strategic direction and priorities for Metro's departments to weave into their budgets. Council's communication of priorities ensures that Metro is continually making progress to provide the highest level of services, deliver on promises made to voters, and advance racial equity and climate action goals.

Materials following this page were distributed at the meeting.