

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF EXPANDING THE)	ORDINANCE NO. 24-1520
URBAN GROWTH BOUNDARY TO)	
PROVIDE CAPACITY FOR HOUSING AND)	Introduced by Marissa Madrigal, Chief
EMPLOYMENT TO THE YEAR 2044 AND)	Operating Officer, with the concurrence of
AMENDING THE METRO CODE TO)	Lynn Peterson, Council President
CONFORM)	

WHEREAS, state law requires Metro to assess the capacity of the urban growth boundary (UGB) at least every six years and, if necessary, to increase the region’s capacity for housing and employment for the next 20 years; and

WHEREAS, Metro’s previous growth management analysis was made in 2018 when Metro adopted the 2018 Urban Growth Report (UGR) via Ordinance No. 18-1427, which forecasted population and employment growth in the region to the year 2038, inventoried the supply of buildable land inside the UGB, and concluded there was a need to add land to the UGB to address housing needs; and

WHEREAS, Ordinance No. 18-1427 added approximately 2,181 acres of urban reserve land to the UGB in four locations in order to provide approximately 6,100 single-family housing units and approximately 3,100 multifamily units, for a total of approximately 9,200 homes; and

WHEREAS, in advance of the 2024 growth management decision, Metro convened the Urban Growth Report Roundtable, which was comprised of public and private sector representatives with the goal of lending more transparency to Metro’s growth management analyses and processes. The Roundtable met eleven times from September 2023 through July 2024. Metro staff incorporated feedback received from the Roundtable into the 2024 UGR; and

WHEREAS, Metro also convened a Youth Cohort to provide Metro staff with youth perspectives on urban planning and growth management in the context of the 2024 growth management decision. The Youth Cohort met eight times from September 2023 through July 2024; and

WHEREAS, consistent with Metro’s approach to regional growth management decisions focusing on city readiness for development, on April 3, 2024, the City of Sherwood submitted a proposal to Metro to add approximately 1,291 acres of land to the UGB in its Sherwood West planning area for housing and employment purposes; and

WHEREAS, the city’s proposal was reviewed by Metro staff and by the Metro Technical Advisory Committee (MTAC), the Metro Policy Advisory Committee (MPAC), the Metro Committee on Racial Equity (CORE), and the Urban Growth Roundtable, and city staff made a presentation to the Metro Council regarding its concept plan for Sherwood West at a work session on May 28, 2024; and

WHEREAS, Metro also convened a Land Use Technical Advisory Group, comprised of public and private sector experts, which met regularly with Metro staff from July 2023 through June 2024 to provide advice on Metro’s methods for identifying buildable lands and estimating growth capacity; and

WHEREAS, Metro provided its draft buildable land inventory and growth capacity estimates to all cities and counties in the region for review and comment; and

WHEREAS, Metro convened an expert panel of demographers and economists to review the draft regional population, household, and employment forecast; and

WHEREAS, on July 9, 2024, Metro staff published the draft 2024 UGR, which provides a range forecast for future population, household, and employment growth in the region, an inventory of buildable residential and employment land in the region, and an analysis of multiple growth scenarios involving different assumptions and permutations regarding population, redevelopment potential, and different mixes of potential housing demand by housing type; and

WHEREAS, the 2024 UGR estimates that approximately 60 percent of the region's new renter households and 33 percent of new owner households will have incomes below \$60,000 and, depending on household size, households in this income bracket are classified by the U.S. Department of Housing and Urban Development as low income or very low income; and

WHEREAS, the UGR finds that meeting the housing needs of many low income households will require public subsidies; and

WHEREAS, Metro held a 45-day public comment period on the draft 2024 UGR from July 9, 2024 through August 22, 2024; and

WHEREAS, the 2024 UGR concludes that the Metro Council has latitude to determine whether there is a regional need for the City of Sherwood's proposed UGB expansion; and

WHEREAS, on August 26, 2024, Metro's Chief Operating Officer (COO) issued her recommendation to the Metro Council to expand the UGB to include Sherwood West with conditions of approval, and

WHEREAS, on September 19, 2024, CORE provided its recommendations to the Metro Council; and

WHEREAS, on September 25, 2024, MPAC endorsed the COO Recommendation for approval by the Metro Council with three additional recommendations for consideration; and

WHEREAS, on September 26, 2024, the Metro Council held a public hearing on the COO recommendation regarding the Sherwood West proposal, and that hearing was continued to October 3, 2024 for further testimony; and

WHEREAS, on October 8, 2024, the Metro Council held a work session and directed Metro staff to prepare an ordinance to expand the UGB to include the Sherwood West area and to prepare conditions of approval that address the topics included in the COO Recommendation; and

WHEREAS, the Sherwood West expansion area will add approximately 1,291 acres of urban reserve land to the UGB and provide approximately 3,120 housing units or an average density of 9.2 units per net acre, and employment land sufficient to support approximately 4,500 new jobs; and

WHEREAS, Metro staff evaluated all land in the region designated as urban reserves for possible addition to the UGB based upon their relative suitability under the Goal 14 locational factors; and

WHEREAS, the Metro Council held a public hearing on this ordinance on November 21, 2024;
now therefore

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The UGB is amended to add the Sherwood West area shown on Exhibit A, attached and incorporated into this ordinance, to provide capacity for housing and employment growth.
2. The conditions of approval set forth in Exhibit B, attached and incorporated into this ordinance, are applied to the City of Sherwood as part of this UGB expansion decision.
3. The Urban Growth Boundary and Urban and Rural Reserves Map in Title 14 of Metro's Urban Growth Management Functional Plan is amended to reflect the UGB amendment as shown on Exhibit C, attached and incorporated into this ordinance.
4. The Industrial and other Employment Areas Map in Title 4 of Metro's Urban Growth Management Functional Plan is amended to place an Industrial designation on the northern portion of the Sherwood West expansion area as shown on Exhibit D, attached and incorporated into this ordinance.
5. The 2024 Urban Growth Report attached as Exhibit E to this ordinance is hereby adopted as support for the Metro Council's decision to amend the Metro UGB to provide capacity for housing and employment growth.
6. The Findings of Fact and Conclusions of Law attached as Exhibit F to this ordinance are hereby adopted to explain how this ordinance is consistent with state law and applicable Metro policies, and to provide evidentiary support for this decision.
7. The areas being added into the Metro UGB by this ordinance are also annexed into the Metro jurisdictional boundary as provided by ORS 268.390(3)(b).


ADOPTED by the Metro Council this 5th day of December 2024.



Lynn Peterson, Council President

Attest:

Approved as to Form:



Georgia Langer, Recording Secretary



Carrie MacLaren, Metro Attorney

ORDINANCE NUMBER 24-1520 FOR THE PURPOSE OF EXPANDING THE URBAN GROWTH BOUNDARY TO PROVIDE CAPACITY FOR HOUSING AND EMPLOYMENT TO THE YEAR 2044 AND AMENDING THE METRO CODE TO CONFORM

Date: November 4, 2024
Department: Planning, Development, and Research
Meeting Date: November 21, 2024

Prepared by: Ted Reid, Principal Regional Planner ted.reid@oregonmetro.gov
Presenter(s): Ted Reid; Eryn Kehe (Metro Planning, Development, and Research)
Length: 60 minutes

ISSUE STATEMENT

The region's urban growth boundary (UGB) delineates urban and rural uses and is a tool for ensuring thoughtful and efficient growth patterns. The Metro Council is required by state law to – at least every six years – determine whether the UGB has adequate land for expected housing and job growth. The Metro Council last made this determination in December 2018 and is scheduled to do so again by the end of 2024.

Over the course of the past year, staff has presented the elements of the Urban Growth Report (UGR) that estimate how many people may live or work in the region over the next 20 years and whether the land inside the existing UGB is sufficient to accommodate their homes and places of employment. The 2024 UGR provides the analysis to support the Metro Council as it determines if there is a demonstrated regional need for a UGB expansion.

For the 2024 urban growth management decision cycle, Metro received one proposal from the City of Sherwood to expand the UGB to include the 1,300-acre Sherwood West urban reserve area. Metro has also completed a comparison of urban reserves, including Sherwood West, assessing them according to several factors specified in state law.

Earlier this summer, Metro held a 45-day open comment period for the public to engage with the UGR and the Sherwood West proposal through an online survey or by directly submitting comments. A summary report of the public comments received during this period was shared with Metro Council, MTAC, MPAC, and CORE.

Staff, led by the Chief Operating Officer, developed recommendations that took the draft UGR, public comment and Metro committee discussions into account. Those recommendations, released on August 26, 2024, included a proposal for where to fall in the housing and employment forecast range provided in the draft UGR, a recommendation about the proposed expansion area, and topics to consider for potential conditions of approval.

Many groups, including MPAC and CORE, have reviewed and commented on the Chief

Operating Officer/Staff recommendations and these various perspectives were presented at the Council public hearing on September 26, 2024. That hearing was carried over to October 3rd.

On October 8, 2024, the Metro Council directed staff to prepare an ordinance for Council consideration that is consistent with the Chief Operating Officer recommendations and that would accomplish the following:

- Adopt a final 2024 UGR that utilizes the middle (baseline) population and employment forecast.
- Amend the UGB to include the Sherwood West urban reserve to address housing and job land capacity needs identified in the 2024 UGR.
- Adopt UGB conditions of approval that are consistent with the Chief Operating Officer recommendations released on August 26, 2024.

Council also indicated its intent to hold a Council work session in early 2025 to discuss preparation of a resolution that will provide direction on activities to undertake after the 2024 growth management decision. The resolution is expected to provide direction on topics such as:

- Convening a public/private sector group to discuss how to improve the development readiness of industrial lands.
- Working with advisory groups to draft potential amendments to Metro Code (Title 11: Planning for New Urban Areas) to incorporate requirements for Tribal Consultation and equity analyses when local jurisdictions are completing concept plans for urban reserve areas and comprehensive planning for UGB expansion areas.
- Responding to concerns raised by Metro's Committee on Racial Equity related to growth management decision processes.

ACTION REQUESTED

Conduct a first reading and public hearing for Ordinance Number 24-1520, followed by Council consideration of the ordinance on December 5, 2024.

IDENTIFIED POLICY OUTCOMES

State law and regional policies lay out goals to make efficient use of land inside the UGB and to only expand the UGB if there is a demonstrable regional need to accommodate expected housing or job growth. The Metro Council makes this growth management decision for the region after significant engagement with stakeholders and residents.

To ensure that areas added to the UGB are ready for growth, it is the Metro Council's policy to only expand the UGB in urban reserves that have been concept planned by a city or a county. Metro provides grant funding for local jurisdictions to complete concept planning.

The Metro Council will decide if there is a regional need for additional land to

accommodate housing and job growth. If so, the Council will also determine conditions of approval to be placed on the expansion area.

POLICY QUESTION(S)

- Does the Council wish to adopt the proposed 2024 Urban Growth Report as the basis for its 2024 urban growth management decision?
- Does the Council wish to amend the UGB to include the Sherwood West urban reserve to address housing and job land capacity needs identified in the 2024 Urban Growth Report?
- Does the Council wish to adopt the proposed conditions of approval?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

- Act on previous Council direction and adopt Ordinance Number 24-1520 to conclude the 2024 Urban Growth Management decision.

STAFF RECOMMENDATIONS

- Adopt Ordinance Number 24-1520 to conclude the 2024 Urban Growth Management decision according to the deadlines specified in state law.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Regional urban growth management decisions have long been one of the Metro Council's core responsibilities. The Metro UGB – first adopted in 1979 – is one of Metro's tools for achieving the 2040 Growth Concept's vision for compact growth, thereby protecting farms and forests outside the UGB and focusing public and private investment in existing communities. These are all key to reducing greenhouse gas emissions and expanding housing options.

The UGB is just one policy tool, however, and must be accompanied by other policies, partnerships, and investments to make good on the 2040 Growth Concept and to address challenges like housing affordability, displacement, houselessness, and economic development. Often, growth management processes provide a venue for identifying the need for new initiatives.

Metro strives for transparency in its growth management work, which can be challenging given its highly technical aspects. The 2024 decision provided opportunities for interested parties to inform and understand the many technical and policy aspects of this work. Those opportunities included, not only standing advisory committees, but also groups formed for this decision process such as the UGR Roundtable, the Land Use Technical Advisory Group, the regional forecast expert review panel, and the Youth Cohort.

BACKGROUND

At its March 7, 2023 work session, the Council directed staff to begin implementing the work program for the 2024 urban growth management decision. Staff have returned periodically to update the Council on the progress of key components of the work program. At an October 8, 2024 work session, the Council provided direction for its intended growth

management decision. That direction is reflected in Ordinance Number 24-1520, which would adopt a final 2024 UGR, amend the UGB to include the Sherwood West urban reserve, and apply conditions of approval for the UGB expansion.

Consistent with Council direction, the final 2024 UGR summary document includes a finalized housing needs analysis and a revised industrial land inventory. The following UGR appendices have been edited accordingly:

Appendix 2 (UGB capacity estimates): Updated to reflect a lower (10%) slope threshold for industrial lands that are considered buildable.

Appendix 6 (Employment land site characteristics): Updated to reflect the revised buildable industrial land inventory in Appendix 2.

Appendix 7 (Goal 14 Locational Factors Analysis): Added to address state legal requirements to assess urban reserves as potential UGB expansion candidates.

Appendix 7A (Metro Code Locational Factors Analysis): Added to address Metro Code requirements to assess urban reserves as potential UGB expansion candidates.

Appendix 8 (Housing Needs Analysis): Updated to reflect direction from Council to plan for the middle (baseline) forecast.

Appendix 11 (Oregon Semiconductor Taskforce Report): Added as an appendix because it is referenced a basis for finding a need for additional large industrial sites.

ATTACHMENTS

- Is legislation required for Council action? x Yes No
- If yes, is draft legislation attached? x Yes No
- What other materials are you presenting today?
 - Attachment A: Map of proposed UGB expansion area

