600 NE Grand Ave.
Portland, OR 97232-2736

Metro | *Agenda*

Meeting: **Metro Council Work Session**
Date: Tuesday, April 22, 2014
Time: 2 p.m.
Place: Council Chamber

CALL TO ORDER AND ROLL CALL

2:00 PM	**1.**	**ADMINISTRATIVE/ COUNCIL AGENDA FOR APRIL 24, 2014/ CHIEF OPERATING OFFICER COMMUNICATION**	
2:15 PM	**2.**	**2015 GROWTH MANAGEMENT DECISION: BUILDABLE LAND INVENTORY – INFORMATION/DISCUSSION**	**Ted Reid, Metro** **Jerry Johnson, Johnson Economics** **Chris Neamtzu, City of Wilsonville**
3 PM	**3.**	**BREAK**	
3:05 PM	**4.**	**2014 RTP AND 2015-2018 MTIP ENVIRONMENTAL JUSTICE AND TITLE VI ASSESSMENT – PROCESS SCHEDULE AND SCOPE OF ANALYSIS – INFORMATION**	**Ted Leybold, Metro** **Grace Cho, Metro**
3:35 PM	**5.**	**COUNCIL BRIEFINGS/COMMUNICATION**	

ADJOURN

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Agenda Item No. 2.0

2015 GROWTH MANAGEMENT DECISION: BUILDABLE LAND INVENTORY

Metro Council Work Session
Tuesday, Apr. 22, 2014
Metro, Council Chamber

METRO COUNCIL

Work Session Worksheet

PRESENTATION DATE:	April 22, 2014	**TIME:** 2:15	**LENGTH:** 45 minutes
PRESENTATION TITLE:	2015 growth management decision: buildable land inventory		
DEPARTMENT:	Planning and Development		
PRESENTER(s):	Ted Reid, Metro Jerry Johnson, Johnson Economics Chris Neamtzu, City of Wilsonville	503-797-1768	ted.reid@oregonmetro.gov

WORK SESSION PURPOSE & DESIRED OUTCOMES

Purpose:
Provide Council with background on the buildable land inventory that will be incorporated into the 2014 Urban Growth Report.

Outcome:
Council members understand:

- The role of the buildable land inventory in informing the growth management decision
- The technical engagement process used to develop the inventory methodology
- The local jurisdiction engagement process used to validate the inventory
- Why staff proposes to express the region's growth capacity as a range
- The role of redevelopment and infill in future development patterns

TOPIC BACKGROUND & FRAMING THE WORK SESSION DISCUSSION

Metro, local jurisdictions and the private sector work on a continuous basis to maintain and improve the region's quality of life and to prepare for population and employment growth. Many policy and investment decisions are used to achieve those ends. The regional growth management decision is one of those tools and provides a venue for the region to assess its performance. Understanding how much growth capacity the current urban growth boundary has is an important element of planning for future growth.

State law requires that Metro's growth management decisions be based on an inventory of buildable land already inside the urban growth boundary and a determination of whether that capacity is sufficient to accommodate forecast growth. Buildable land includes both vacant land and land that is likely to redevelop in the 20-year planning horizon.

For the 2014 Urban Growth Report, staff has conducted more technical engagement on the buildable land inventory than in any previous growth management decision. Beginning in the late winter of 2013, staff began engaging a technical working group consisting of public and private sector representatives to help refine inventory methodologies. The group focused primarily on how to estimate environmental constraints and how to estimate redevelopment and infill capacity. A paper summarizing the buildable land inventory methodology is included in the meeting packet. Also included is a roster of the public and private sector representatives that participated in the working group as well as rosters for two smaller groups (residential and employment) that advised Metro staff on how much of the buildable land inventory may constitute a 20-year supply.

In the fall of 2013, having implemented the inventory methodology suggested by the technical working group, staff provided all cities and counties in the region with a preliminary inventory for their review. Local jurisdictions were given over two months to review this preliminary inventory and to provide comments and edits to Metro. Those edits, based on refined local knowledge, have been incorporated into a revised inventory that is nearing completion. Because the numbers are not yet finalized, staff will not be presenting the inventory results at the work session, but will instead focus on the process that has been used to create the inventory. Full documentation of the inventory results will be included in the July 2014 draft Urban Growth Report.

After the local review process, staff reconvened the buildable land inventory technical working group to review the preliminary inventory results. Staff suggested, and the working group concurred, that not all properties in the inventory are likely to be developable in the 20-year planning timeframe of the Urban Growth Report. Reasons for this include:

- Infrastructure deficiencies and funding shortfalls
- City annexation challenges
- Local plan adoption challenges
- Zoning that outpaces or that is mismatched with anticipated market demand
- Community opposition to change
- Not all locations that meet the technical criteria to be candidates for redevelopment will necessarily redevelop in the 20-year timeframe
- Not all properties that redevelop will necessarily redevelop to the maximum allowed density

Grounded in the buildable land inventory, staff proposes to express a likely supply range in the draft Urban Growth Report. Staff is currently working with a smaller group of public and private sector representatives to identify a reasonable supply range and will describe some of that rationale at the Council work session. However, staff believes that this approach needs to be appropriately contextualized -- providing capacity through urban growth boundary expansions also presents significant challenges.

QUESTIONS FOR COUNCIL CONSIDERATION

- Does Council support staff's proposed approach to express the urban growth boundary's growth capacity as a range?
- Pertaining to growth capacity, does the Council have policy questions on which it would like MPAC's advice?

PACKET MATERIALS

- Would legislation be required for Council action ☐ Yes ☒ No
- If yes, is draft legislation attached? ☐ Yes ☐ No
- What other materials are you presenting today?
    - Presentation at work session
    - Methodology for determining the 2014 Urban Growth Report's buildable land inventory (in packet)
    - Roster for buildable land inventory technical working group (in packet)

Methodology for determining the 2014 Urban Growth Report's buildable land inventory

Background

Under state land use regulations, Metro is required to ensure an adequate supply of buildable land inside the urban growth boundary (UGB) to accommodate 20 years of population and employment growth. Metro conducts this analysis every five years in its Urban Growth Report (UGR). The UGR is the basis for the Metro Council's growth management decision. One of the underpinnings of the UGR is a buildable land inventory (BLI) that includes vacant and redevelopable land. This document provides a summary of the assumptions and methods developed for the 2014 UGR's regional BLI. During the fall of 2013, all jurisdictions in the region were provided with an opportunity to review the draft BLI and to suggest revisions to the results that reflect local knowledge about specific properties.

Peer review of methods

During the spring and summer of 2013, Metro staff worked closely with a technical working group that included about 25 developers, engineers, brokers, economic consultants, and planners from jurisdictions around the region to develop a regional BLI methodology. This work built on efforts undertaken to develop a BLI that was an input assumption for the 2035/40 Growth Distribution, which was adopted by the Metro Council in the fall of 2012. The BLI benefited from extensive engagement with local jurisdiction planners over the course of two years. In many instances, these advisory groups discussed the ambiguity inherent in developing 20-year capacity estimates, particularly on a regional scale. On several topics, the group advised Metro that there was not a clear "right" or "wrong" answer, but helped Metro staff to arrive at methods that are, on the whole, reasonable for a regional analysis, and that use the best available information.

Measurement Uncertainty in the BLI

The land supply and capacity estimates prepared using the procedures and methods reflected in this paper are intended to reflect up to a 40 to 50 year land supply. The rationale for this derives from being consistent with trying to model future real estate development for a 20 year span and holding up to a mandate in keeping with a 20 year land supply in the 1st and the 20th year. We say the estimate approximates a 40 to 50 year supply because some sensitivity analysis – particularly with key factor such as redevelopment assumptions, future residential densities, right of way allowances, environmental assumptions and a host of other complex capacity calculation assumptions – indicates some uncertainty in the statistical factors to arrive at a buildable land inventory measurement. The margin of error for

redevelopment and infill is greater than the vacant part of the buildable land inventory, but both categories are subject to a degree of measurement uncertainty.

General methodology

Step 1: Identify vacant tax lots (and complement developed tax lots) by zoning class

Step 2: Remove tax lots from the BLI that don't have the potential to provide residential or employment growth capacity (e.g., parks)

Step 3: Calculate deductions for environmental resources[1]

Step 4: Calculate deductions for "future streets"[2]

Step 5: Calculate BLI estimates (BLI includes capacity estimates for vacant and redevelopment)

a) Single Family Residential (SFR)
b) Multifamily residential (MFR) and Mixed Use Residential Capacity (MUR)
c) Employment (industrial[3] and commercial)

Identify vacant and developed land by zoning (or comp plan)

Issue:
Previous iterations of the BLI focused only on vacant land, and capacity for redevelopment was treated separately using a refill rate[4]. The current BLI methodology treats vacant and redevelopment as separate categories for clarity and to avoid any double counting of capacity on the partially vacant lots. However, Metro's vacant lands inventory (a basis for the BLI) includes some "partially vacant" land.

Solution:
The region's buildable land inventory is sorted into *redevelopment* and *vacant* capacity (the identification screens / filters are inherently different). Tax lots that were previously categorized as "partially vacant" are categorized into one or the other condition (i.e., vacant or developed for purposes of counting regional capacity). Developed tax lots are subjected to economic screens (described in this document) to determine whether they should be counted as redevelopment capacity.

[1] Environmental resources considered include Metro's Title 3, Title 13, FEMA flood way and steep slopes over 25%.
[2] The BLI accounts for future streets on a tax lot-by-tax lot basis. The buildable area of each tax lot is reduced on the basis of individual tax lot size.
[3] Large industrial sites (25 or more net buildable acres) were inventoried in a separate process that relied on work done as part of the 2011/2012 Regional Industrial Site Readiness Project, which was a partnership between Metro, the Port of Portland, Business Oregon, the Portland Business Alliance, NAIOP, and local jurisdictions. The inventory of large industrial sites will be completed in the spring of 2014.
[4] The refill rate is the share of the region's future growth that is expected to be accommodated through infill and redevelopment. However, the refill rate does not identify the locations where infill and redevelopment may occur.

Vacant land definition[5]:

- Any tax lot that is fully vacant (Metro aerial photo)
- Tax lot with less than 2,000 sq. ft. developed AND developed part is under 10% of entire tax lot
- Tax lots that are 95% or more "vacant" from the GIS vacant land inventory[6]

Developed land definition:

- Part vacant / part developed tax lots are considered developed and will be treated in the redevelopment filter

Rationale:
Categorizing tax lots as vacant or developed (and potentially redevelopable) more closely aligns the inventory approach with that of other local governments and state administrative rules, which refer to vacant and redevelopable land. Lands previously defined as "partially vacant" are still inventoried, but are simply redefined to fit into the vacant or developed categories. Tax lots with fewer than 2,000 sq. ft. developed and a developed part that is less than 10% of the entire tax lot are considered completely vacant with the understanding that tax lots with this condition resemble a fully vacant tax lot. The developed portion would minimally impact new development. In case of tax lots in employment zones that do not pass through various redevelopment filters, for relatively large tax lots greater than 1 acre, we apply a final screen to include "land banked" parcels into the BLI.

Remove tax-exempt lots, parks, and major utility easements

Issue:
Some vacant tax lots (e.g., parks) should not be recognized as carrying capacity for employment and/or housing going into the future.

Solution:
Remove the following types of tax lots from the residential (and employment) BLI based on Assessor PCA code designations, owner names, assessed values and other data sources:

- Tax exempt with property codes for city, state, federal and Native American designations
- Schools
- Churches and social organizations[7]
- Private[8] "streets"
- Rail properties[9]

[5]Small inconsistencies in the alignment of the tax lot GIS layer and the vacant/developed GIS layer create slivers along property boundaries. In order to deal with this issue, any tax lot that is 95% or more vacant is considered "fully vacant".

[6] GIS taxlot layers change over time as the counties update their parcel base. Because of this, over time, the vacant land layer may develop inconsistencies, resulting in slivers of vacant or developed land that intrude on adjacent taxlots. Setting a 95% threshold prevents full vacant taxlots from being categorized as "developed".

[7] Based solely on tax exempt codes.

[8] This was used for SFR, MFR and MUR zoning only. It proved problematic for COM and IND zoning

- Tax lots under 1,000 sq. ft. (0.023 gross acres)
- Parks, open spaces and where possible private residential common areas

Use the best available GIS data to remove parks, rail yards and railroad properties, major petroleum, natural gas lines and BPA power line right of ways. The area defined as "utility easements" is a GIS data layer that identifies major trunk lines for petroleum, natural gas and BPA's high voltage electric lines, and excludes all else. Parks is a data layer maintained by Metro that includes all parks in the region (e.g., community parks, regional parks, open space areas, golf courses, private common areas, and cemeteries).

EXCEPTIONS:
Included in Residential Capacity Calculations the following list of exemptions:

- Housing Authorities (not just Portland)

Included in Employment Capacity Calculations the following list of exemptions:

- Port of Portland
- Portland Development Commission

Rationale:
Tax lots that are not capable of supporting future employment and/or housing because of use restrictions should be removed from the BLI.

Calculate Environmental Constraints

Issue:
Local governments vary in how they implement environmental regulations found in Urban Growth Management Functional Plan Title 3 (Water Quality and Flood Management) and Title 13 (Nature in Neighborhoods). Moreover, estimation of residential housing capacity of tax lots (TL) with environmental impact may vary substantially on a case by case basis. Typically, ***density transfers*** from the environmentally impacted portion of a tax lot to the unconstrained part of the tax lot may vary significantly depending on the environmental impact and city regulations.

The capacity calculations for environmentally constrained tax lots recognize residential density transfers and Title 13's more flexible protections, which are applied on a site-by-site basis during the development review process. Generally, under Title 13, development is to avoid, minimize, or mitigate (in that order) designated habitat areas. Typically, precise delineations of habitat conservation areas are identified during the site development process. Therefore, the data and BLI calculation methods are more appropriate at a higher geographic scale than individual tax lots. The residential capacity computation (though accurate at a regional or subregional scale) may **NOT** accurately portray the

[9] The Metro Data Resource Center finished collecting and compiling together a comprehensive rail yards and railroad properties geodatabase. For the UGR study, we utilize this brand new database to filter out unbuildable tax lots from the BLI data.

precision needed to calculate the environmental deduction for each tax lot. This may also affect the calculation for the transfer of density from the environmentally constrained area to the unconstrained part for individual tax lots, but we believe that on balance, the variance in the calculation of net density and net residential capacity offset each other over the entire region.

The BLI technical working group was asked to provide advice on how to handle capacity assumptions in Title 13 areas. The group agreed that counting full residential capacity was not appropriate, but that discounting all capacity was not appropriate either. Metro staff then sent an e-mail inquiry out to all local jurisdictions in the region to determine their jurisdictions' historic development experience in Title 13 areas. Metro staff received varied responses with many caveats that preclude meaningful summarization. In the end, this inquiry did not produce a clear answer. Aside from the fact that Title 13 gets interpreted on a site-by-site basis, another challenge is that local implementation of Title 13 is fairly recent, which means that there is not a lot of development experience from which to draw (particularly in light of the Great Recession). Given this ambiguity and the fact that Title 13 areas comprise a relatively small portion of the region's single-family zoned vacant land (approximately 5.5%) and even less of its multi-family zoned vacant land (approximately 0.5%), Metro staff determined that the most reasonable approach was to rely on percentages found in the Title 13 Model Ordinance. This is the best available information and is being used on the advice of the BLI technical working group.

Solution:
Most areas that are considered environmentally sensitive fall into multiple categories of overlap including Titles 3 and 13, or are in a floodway or flood prone soils, or include steep slopes or some other ecosystem feature. Metro employs an environmental hierarchy to classify the environmental features to avoid double counting the capacity deduction for the BLI. BLI reductions will reflect the higher assumed protections when environmental features are overlapping.

Methods differ for single-family, multi-family, and employment lands. Generally, using the best available GIS data:

- Remove 100% of the area of floodways
- Recognize environmental constraints such as slopes over 25% and as defined by cities and counties under Title 3 and Title 13. In many instances, the delineation of the environmental buffers are GIS modeled data; where available we utilize environmental buffers from local government GIS data
- By assumption, permit 1 dwelling unit (DU) per residentially-zoned (SFR, MFR, MUR) tax lot if environmental encumbrances would limit development such that by internal calculations no (zero) dwelling units would otherwise be permitted ("essentially avoid takings")

As a result, we define the following land area calculations (used in formulas below):
Vacant buildable = Calculated area of TL – utility easements – parks – railroads – tax exempt sites
Net unconstrained[10] = vacant buildable – environmental constraints

[10] This is the calculation for SFR, MFR and MUR. The calculation for COM and IND is a 100% deduction of environmental constraints.

The "calculated area of TL" is the GIS calculation of area (sq. ft.) of the tax lot as defined in Metro's GIS tax lot data layer. (Generally, individual tax lots are not affected by utility easements, parks, railroads or other tax exempt uses, but on a regional scale, these factors add up to be somewhat significant and therefore handled in the regional BLI calculations for the UGR capacity estimates.) Environmental constraints are handled as follows (by land use type):

Single-family residential

1. Floodways: 100% removed
2. Slopes > 25% and Title 3 treated the same way: 100% removed
    a. If tax lot > (or equal to) 50% constrained, follow the "maximum capacity rule" (defined below) to add back units[11]
    b. If tax lot is <50% constrained, assume 90% of unconstrained area is in BLI (i.e., apply 10% discount to vacant buildable acres)[12]
3. Title 13: 50% of Title 13 constrained acres removed from BLI (consistent with Title 13 model Ordinance).
4. Assume at least one unit per tax lot, even if fully constrained

Multi-family residential

1. Floodways: 100% removed
2. Slopes > 25%: 100% removed
3. Title 3: remove 50% of the constrained land with the other 50% considered buildable
4. Title 13: 15% of Title 13 constrained acres removed from BLI (consistent with Title 13 Model Ordinance)
5. Assume at least one unit per tax lot, even if fully constrained

Industrial and commercial

Employment zoned land applies a simple approach of netting out all constrained land. This is based on the input of the BLI technical working group, which indicated that constrained areas are typically avoided altogether by new commercial or industrial employment uses.

1. Floodways: 100% removed
2. Slopes >25%: 100% removed
3. Title 3: 100% removed with the exception of the Portland Harbor Access Land where a 70% discount rate is applied[13]
4. Title 13: 100% removed

[11] This add back represents Metro's approach for estimating / calculating the density transfer to mitigate the loss of potential development productivity for dwelling units.

[12] Based on feedback from BLI working group, including local experience.

[13] Based on input from City of Portland staff.

Calculate deductions for "future streets"

This BLI methodology sets aside a portion of the vacant land supply (not redevelopment supply) in order to accommodate future streets and sidewalks. This assumption is calculated on a per tax lot basis:

- Tax lots under 3/8 acre assume 0% set aside for future streets
- Tax lots between 3/8 acre and 1 acre assume a 10% set aside for future streets
- Tax lots greater than an acre assume an 18.5% set aside for future streets
- Industrial (IND) zoning assumes a 10% set aside regardless of size.

The basis for these net street deduction ratios derive from previous research completed by the Data Resource Center and local jurisdictions for the the 2002 UGR.

Calculate single-family residential capacity

Single-family residential vacant land methods:

Rationale: A multi-step approach has been developed that accounts for environmental impacts and provides a means for explicitly estimating potential transfer of density from the constrained portion of a tax lot to the unconstrained portion. The approach corrects for over estimation of partial single-family (SF) capacity by rounding down capacity estimates to a whole number.

If a vacant tax lot is unconstrained by environmental impacts, the formula is simply to compute the maximum number of whole dwelling units permitted by the zoning district.

Example: 10,500 sq. ft. tax lot and zoning district allows a minimum lot size of 5,000 sq. ft. ➔ (10,500 / 5,000) = 2.1 dwelling unit capacity rounded down to 2.0 DU

Our approach for both redevelopment and vacant tax lots otherwise considers the potential to achieve transfer of density from areas in a tax lot constrained by environmental considerations. Two (2) different capacity calculations are made on vacant SF tax lots to account for environmental constraints. The DU capacity for each tax lot is the *minimum* calculated by the two methods, with a floor of at least 1 SF unit per tax lot[14]. The floor is an allowance for any vacant and fully constrained tax lot in order to recognize the development potential of 1 DU capacity in the BLI.

Calculations:
The *maximum capacity rule* is applied to single-family tax lots with environmental constraints (slopes greater than 25% and/or Title 3 constraints and/or Title 13 constraints). The rule would take the ***minimum*** number of units based on these guidelines:

1. Tax lot size / minimum zoned lot size; or
2. Unconstrained portion of lot / 2000 sq. ft. (1000 sq. ft. in Portland) [15]

[14] Note: This only applies to vacant tax lots. If a tax lot is already developed and environmental constraints would not allow any additional units to be built, it can have a minimum capacity of zero additional units.

[15] Assuming 2,000 sq. ft. in the above calculations was a recommendation of the 2035 Growth Distribution subcommittee (and 1,000 sq. ft. for areas in Portland), which was based in part on a review of regulation, physical

Example of environmental conditions of two typical tax lots:

- 11,000 sq ft lot
- 5,000 sq ft minimum lot size zoning

Scenario A:

- 6,500 sq ft unconstrained
- 4,500 sq ft environmentally constrained
- If unconstrained: 11,000/5,000 = 2 units maximum
- With constraint: 6,500/2,000 = 3 units possible
- Applying maximum capacity rule: 2 units (zoning maximum takes precedence)

Scenario B:

- 2,500 sq ft unconstrained
- 8,500 sq ft environmentally constrained
- If unconstrained: 11,000/5,000 = 2 units maximum
- With constraint: 2,500/2,000 = 1 unit possible
- Applying maximum capacity rule: 1 unit possible (constraint overrides zoning maximum)

Single-family residential developed land methods (infill):

Rationale: There are a finite number of single-family tax lots in the region. As a result, over the next 20-year period, it may become increasingly attractive for homeowners of oversized SF tax lots to subdivide. Any single family zoned tax lot with a developed SF home was subjected to 1) an oversize tax lot screen to determine if the tax lot exceeded today's zoned minimum lot size (per Metro's regionalized zoning crosswalk table); 2) if the ratio of entire tax lot square footage to the minimum zoned lot size is between 2.5 and 5, an additional economic-based filter is used to remove from the BLI any lots with high-valued SF homes meeting this criteria. A $300,000 building value is assumed as an appropriate threshold for removal from the SF infill supply. The intent is to recognize that owners of large tax lots with relatively expensive homes are not likely to subdivide their tax lot.

SF Infill Filters:

- Must have single family zoning (per Metro's standardized regional zone class)
- If the tax lot is zoned SFR and classified by Metro as developed, it was assumed that one (1) SF unit presently exists on the tax lot regardless of what's indicated on the assessor's land use code. The one exception to this rule is for tax lots in SFR zoning that have current land use for an apartment (according to Metro's MF database), and these parcels were not considered in calculating infill potential for single family infill supply (Rationale for this was that any infill of such land use would by zoning yield a SFR unit with the concomitant loss of the MFR units, which we believed unlikely).

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dimensions (i.e., building footprint) of a prototypical higher density SFR development form, and practical development knowledge.

- Lot size threshold > 2.5 times the minimum zoned lot size (2.2 for City of Portland only); lots greater than 2.5 times (or 2.2 for Portland) would be added to the SF infill supply, except:
- Lots that meet the size thresholds are run through an additional economic eligibility filter before being included in the SF infill supply. In addition to meeting the size threshold, the assessor's real market building value must be below $300,000 to be counted in the SF infill supply. Rationale: lots with really expensive homes would be excluded from the SF infill supply.
- Tax lots with an oversize threshold exceeding 5 (anywhere in region) are passed through into the infill supply regardless of building value. Rationale is that the remaining buildable area is close to an acre or more and real estate economics being what we expect would very likely see significant infill pressures.

Example: an existing developed SF tax lot that's 13,000 sq. ft. and a minimum lot size for the zone class of 5,000 sq. ft. ➔ 13,000 / 5,000 = 2.6; this TL is eligible for infill with the capacity for 1 more DU (2.6 – 1 = 1.6 ➔ rounded down yields 1 more infill unit).

Calculations of eligible infill tax lots and the additional net DU added:
The net additional infill SF DU is the minimum of calculated by the following 2 computations. Many SF tax lots end up with zero additional infill units.

1. Additional DU infill= (Calculated area of TL – max lot size) / min lot size (rounded down to a whole number); can equal 0

2. Additional DU infill = (net unconstrained sq. ft. / 2,000 sq. ft. (1000 sq. ft. in Portland)), rounded down to a whole number; can equal 0

Calculated area of TL = GIS calculation of the tax lot
Max lot size = in the GIS tax lot layer database, each single family zone class has, by definition, a top-end value for lots to be classified for each SF residential category
Min lot size = in the GIS tax lot layer database, each single family zone class has, by definition, a low-end value for lots to be classified for each SF residential category (please refer to the Metro "Standardized Regional Zone Class" table.

Net unconstrained[16] = vacant buildable – environmental constraints

Calculate multi-family residential capacity (including mixed-use residential)

Method for Vacant and Redevelopment Capacity Calculation (MFR and MUR)

If the tax lot is zoned MF (or MUR) and vacant, the BLI capacity estimate is simply the number of units per acre permitted by the zoning class multiplied by the vacant buildable acres, which in the case of the unconstrained tax lot is the area of the tax lot.

[16] This is the calculation for SFR, MFR and MUR. The calculation for COM and IND is a 100% deduction of environmental constraints.

If the tax lot is zoned MF and vacant, but it is partly constrained by an identified environmental set aside (such as local ordinances implementing Title 3 or Title 13), the formula for estimating the BLI capacity tests the available size of the unconstrained part of tax lot to determine how much *theoretically* permissible density could be transferred to the unconstrained half. (See formula in this section.)

Redevelopment Rationale: The following redevelopment filters are first applied to each developed tax lot within a regional MF or MUR zone class. In order to be added to the multifamily redevelopment BLI, redevelopment would have to add at least 50% more units over the number of units which already exist, or produce at least 3 units total. The rationale is that developers would not tear down and redevelop an apartment or condo units unless he could yield a significant gain in rents and dwelling units. A threshold of 50% was recommended by the subcommittee that advised Metro staff on the BLI assumptions for the 2035/40 growth distribution.

- Redevelopment of multi-family structure must add at least 50% more units; if it doesn't, the tax lot is not eligible for redevelopment
- If the structure is a commercial (or industrial) building or single family dwelling unit (in an MFR or MUR zone), the redevelopment must yield at least 3 or more dwelling units
- Redevelopment must pass through an economic filter first before evaluation of additional DU through redevelopment (see below for economic filter thresholds)

Different economic redevelopment thresholds are assumed to determine which sites in today's MUR or MFR zone classes might be eligible for adding to the redevelopment portion of the BLI. These economic filter thresholds are described next.

Multifamily and Mixed Use Residential Redevelopment filter:

The economic screen for determining which tax lots could potentially be candidates for redevelopment is based on a ratio of total real market value[17] (land and improvements) to area of the tax lot (square feet). If the real market value per square foot is less than the *strike price*, the tax lot is assumed eligible for redevelopment. The rationale for the strike price thresholds is that developers have a profit motive. For the purposes of this BLI, it is assumed that developers may want to redevelop a property if the potential profit justifies property acquisition costs. Strike price values were developed in consultation with economic consultants and the BLI technical working group, which included developers with market knowledge. The strike prices are based on current market conditions, but are pushed to a modest degree to acknowledge that demand (and willingness to pay) will increase over the 20-year timeframe. As depicted in Table 1 and Figure 1 below, strike prices vary by market subarea.

[17] Source: county tax assessors

Table 1: Residential redevelopment strike prices by market subarea (for MFR and MUR zone classes)

	Redevelopment strike price per square foot (land and improvements)	
Market Subarea[18]	**Multi-family zoning**	**Mixed-use residential zoning**
Central City	$130	$130
N/NE Portland central corridors	$70	$80
Eastside urban	$70	$80
Suburban	$10	$12

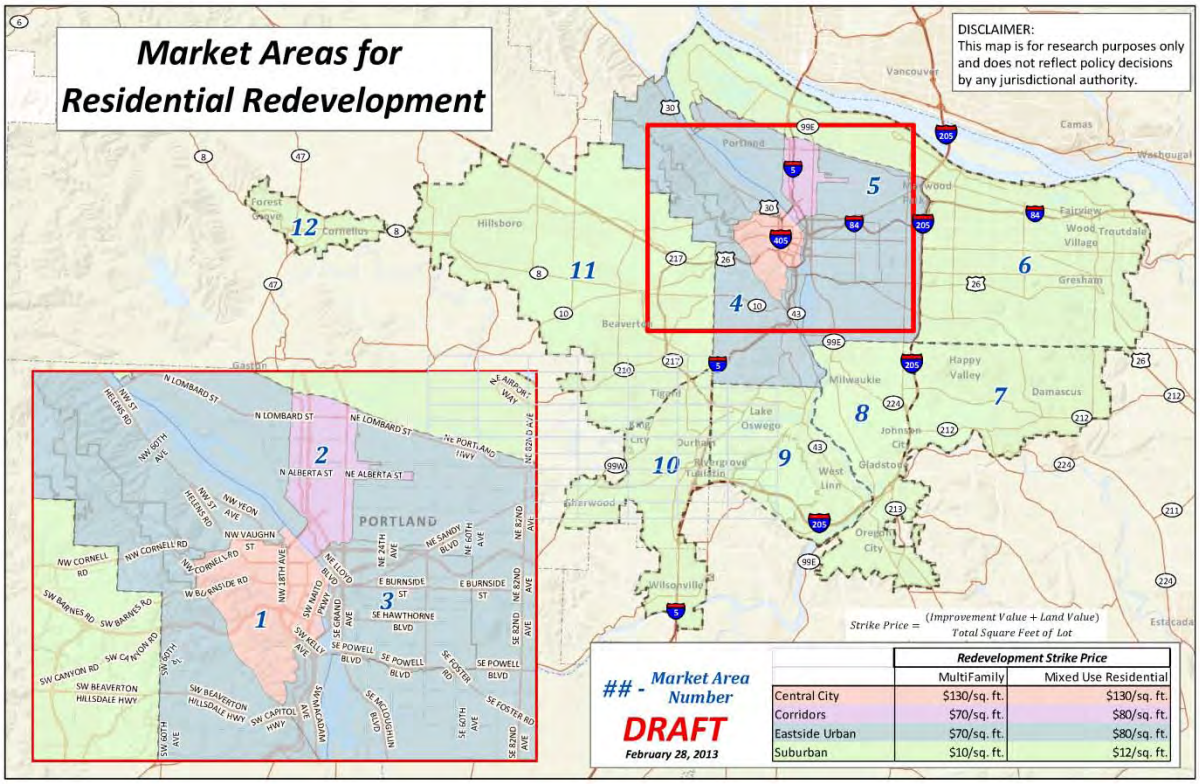


Figure 1: Mixed-Use Residential and Multi-Family Residential redevelopment market subarea analysis geographies

These economic filters define the BLI's supply of tax lots that may redevelop over a 20-year timeframe. The UGR goes through a separate step of using land use and transportation modeling to estimate what portion of that redevelopment supply is likely to redevelop over the 20-year timeframe. Using these numbers, this redevelopment supply is then expressed as a range in the UGR.

[18] During Local Review, the City of Portland identified the Gateway district as an area that did not fit these general rules for redevelopment. Therefore, a strike price of $24/sq. ft. was applied in Gateway based on several real-world redevelopments that have recently occurred in Gateway.

Formula for calculating density transfers on environmentally constrained tax lots (for MFR and MUR Redevelopment and Vacant tax lots):

The formulas below make a distinction between low density vs. high density zoning for MFR and MUR categories of zoning. In Metro's standardized zone class designations, high density zoning refers to classes: MFR 7 and MUR 8 to MUR 10. Both sets of calculations consider how much additional BLI capacity can be gained with respect to tax lots that have identified environmental constraints.

1. Low Density (LD) MFR or MUR zoning capacity calculation formula:

LD => if (1,000 sq. ft < unconstrained part < 5000 sq. ft.) => min (allowed by zoning or 1 DU / 1000 sq. ft.)
LD => if (unconstrained part > 5,000 sq. ft.) => apply zoning density to entire tax lot.

2. High Density (HD) MFR or MUR zoning capacity calculation formula:

HD => if (unconstrained part <10,000 sq. ft.) => 1 DU/1000 sq. ft. of unconstrained area.
HD => if (unconstrained part >10,000 sq. ft.) => apply zoning density to entire tax lot.

Net unconstrained = Vacant buildable – env. constraints

Note: the deduction for environmental constraints is defined in previous sections of this report.

For a tax lot with low density MFR or MUR zoning, if the unconstrained portion of the lot is at least 5,000 sq. ft., then the DU capacity for that lot is calculated by simply applying zoning density to the entire buildable area of the tax lot (net of utility and park areas and other allowed easements). This approach assumes a full density transfer from any constrained portions of the lot to the unconstrained portion of the lot would theoretically be achievable if the unconstrained area is at least 5,000 sq. ft. The same applies for high density MFR and MUR zoning, except that the unconstrained area must be at least 10,000 sq. ft. to achieve a full density transfer. If the unconstrained portion of the tax lot is under the specified limits (5,000 or 10,000 sq. ft. – these thresholds were suggested by the TAZ subcommittee as a reasonable threshold), the number of dwelling units theoretically buildable is the minimum of: 1) the number of DU permissible based on zoning multiplied by the number of buildable of acres (*buildable = Calculated area of TL – utility easements – parks*); or 2) net unconstrained sq. ft. / 1000 sq. ft. (*net unconstrained = TL sq. ft. – utility – parks – env. constraints*).

Employment Capacity Calculations for Commercial and Industrial

Method for Vacant and Redevelopment Capacity Calculation

The vacant land supply is identified using Metro's vacant land inventory, which is derived annually from aerial photo information. Capacity to accommodate employment is determined by zoning (i.e., industrial, commercial, multiple use employment and mixed use residential zone classes). Similar to the residential BLI, the employment BLI estimate includes capacity from vacant land and potential redevelopment.

The employment BLI removes a select set of tax lots (vacant and developed) that for a variety of reasons should not receive any capacity calculations (e.g., parks and open spaces and other defined easements).

These tax lots are removed from the employment inventory much like the residential inventory. They receive no carrying capacity for employment (or residential) uses.

The supply of employment land is measured in acres. All tax lots with commercial and industrial zoning were subjected to a series of preliminary screens first, as for residential, to exclude the following types of properties, for example:

- Tax exempt properties (except for Port and PDC codes)
- Schools[19]
- Rail properties
- Parks and open spaces[20]

The unconstrained buildable area, net of environmental and other constraints was calculated as follows:

Vacant buildable = Calculated area of TL – utility easements – parks
Net unconstrained = Vacant buildable –100% of environmentally constrained area

Tax lots that have been identified as part vacant (at least ½ an acre undeveloped) are considered developed and go through a set of redevelopment screens/filters in order to identify which tax lots have the potential to redevelop during the next 20-year time horizon.

Because "part vacant" land is now being classed as "developed" in this approach, there remain some tax lots with large vacant pieces that do not get through the economic filters and into the redevelopment supply. The assumed economic threshold values which identify which tax lots have potential to be redeveloped are not well suited and calibrated to identify partially developed tax lots with significant amounts of undeveloped real estate. A final screen for these so called "land banked" parcels was applied by adding back into the redevelopment supply the *net unconstrained* vacant portion of any lot with at least 1 acre of unconstrained vacant land.

In these cases, these two steps, the preliminary screening calculation of unconstrained area, are sufficient to identify the employment capacity on vacant land. For the redevelopment supply, the developed tax lots are subjected to a set of economic criteria shown in Table 2 and Table 3. Tax lots must meet both criteria (size and strike price) to be considered eligible for the redevelopment supply in the BLI. To be included in the BLI, the unconstrained area of a tax lot must be larger than the threshold acreage AND it must have a square foot value less than the applicable strike price.

The rationale for the tax lot size thresholds is that a developer would be less likely to redevelop a small tax lot because there are likely to be higher construction costs associated with fitting the development on a small parcel. Additionally, by their very nature, small parcels are not likely to produce redevelopment supply that is significant in the context of a regional BLI.

[19] Metro maintains a school GIS data layer which will be used in screening out land for the BLI. Note: abandoned school properties or school sites that are no longer actively used as a school (and considered surplus) will be included in the BLI.

[20] Metro maintains a parks and open spaces GIS data layer (i.e., ORCA = open recreation and conservation area) which will be the data source used in screening out land for the BLI.

The rationale for the strike price thresholds is that developers have a profit motive. They may redevelop a property if the potential profit justifies property acquisition costs. Redevelopment strike prices were developed with the assistance of economic consultants and the BLI technical working group.

Table 2: Commercial redevelopment economic filter by market subarea

COMMERCIAL LAND			
		Redevelopment strike price ($/sq ft for land and improvements)	
Zone class	**Tax lot size (acres) greater than**	**Regional Centers, Town Centers, Station Communities[21]**	**Everywhere else in UGB**
Central Commercial (CC)	.249	$15	$12
General Commercial (CG)	.249	$15	$12
Commercial Neighborhood (CN)	.249	$15	$12
Commercial Office (CO)	.249	$15	$12

Note: Downtown Portland is zoned MUR, so is handled with the residential redevelopment methods. Real market value from county assessors is used for calculating values

[21] Officially adopted center boundaries were used where possible. In other cases, analysis geographies were used. In the case of Station Communities, the Station Community buffers, as depicted on the 2040 Map, were used.

Table 3: Industrial redevelopment economic filter by market subarea

INDUSTRIAL LAND				
		Redevelopment strike price ($/sq ft for land and improvements)		
Zone class	Tax lot size (acres) greater than	Entire UGB	Subarea #3[22]	Everywhere else in UGB
Light Industrial (IL)	.99	$5	-	-
Heavy Industrial (IH)	.99	$5	-	-
Office Industrial (IO)	.99	-	$10	$7
Campus (business park) Industrial (IC)	.99	-	$10	$7

Note: Real market value from county assessors is used for calculating values

These economic filters define the BLI's supply of tax lots that may redevelop over a 20-year timeframe. The UGR goes through a separate step of using land use and transportation modeling and historic data to estimate what portion of that redevelopment supply is likely to redevelop over the 20-year timeframe. Using these numbers, this redevelopment supply is then expressed as a range in the UGR.

Mixed Use capacity estimates (splitting residential and commercial capacity on MUR zoned tax lots)

More and more tax lots in the region are designated in mixed use residential (MUR) zones. Predicting whether MUR-zoned areas throughout the region will be developed as residential or commercial (or what mix of the two) is a challenge. MUR districts in the Metro region almost universally do not require *vertical mixed use*, which is to say ground floor retail/service or office uses with above floor apartments (or condos). Horizontal mixed use, on the other hand, are a mix of retail, service, office and residential apartments – a mix then of employment and residential land uses usually on separate tax lots.

Issue: In past modeling and forecasting efforts, Metro assumed that all MUR zones were 100% vertical mixed use. This meant that for purposes of counting employment BLI and residential BLI, the equivalent of one story of capacity would be counted in the employment BLI and the remaining capacity would be counted in the residential BLI. This is the theoretical maximum capacity for each MUR district. However, over the last 10 to 15 years, there have been few examples of vertical mixed use occurring in suburban MUR districts. Anecdotal evidence suggests that at most 5% residential and 95% employment was more the norm in some suburban mixed-use development in recent years.

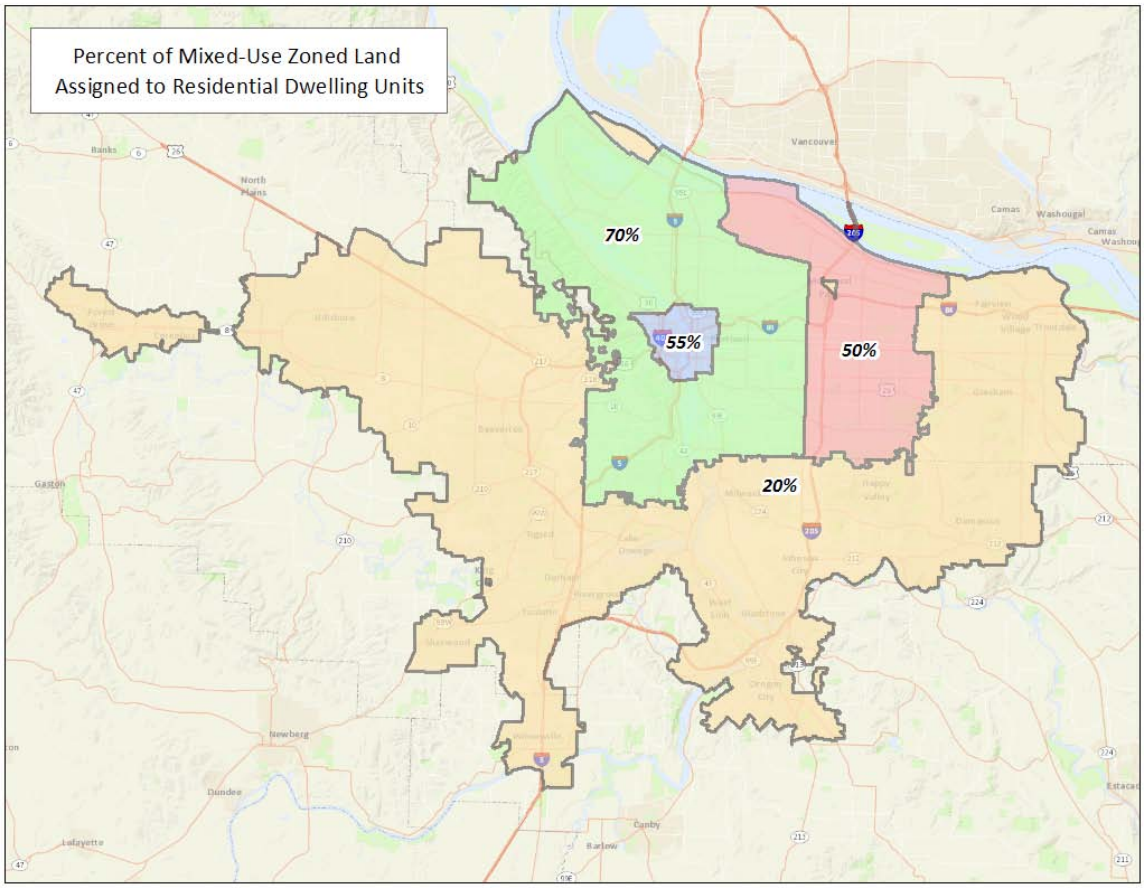
[22] As depicted in Figure 1.

MUR residential/non-residential capacity split formula:
Employment capacity in mixed use residential areas, measured in acres, is calculated from the dwelling unit capacity determined in the residential supply. For tax lots with MUR zoning:

- Total effective acres = Total additional units allowed if 100% of lot is used for residential * acres per unit required at maximum zoned density
- Residential effective acres = ResSplit * Total effective acres
- Employment effective acres = EmpSplit * Total effective acres

Assume: Residential split = 20% (Portland**: see map)[23]
Non-residential split = 80% (Portland**: see map)

** The split in Portland's mixed use residential zone classes varied by area based on evidence from historic and on-going development trends. A map below depicts these locations and the individualized split formula for each subarea of the city.



Rationale: For purposes of modeling and forecasting, we opt for a greater suburban residential split of 20% to foreshadow the possibility that future market trends may drive more residential development

[23] In the event that applying a split factor reduces the number of available residential units below 1 (i.e. 2 units x 20% = 0.4 units) the number of residential units is rounded up to 1.

than present trends would otherwise suggest. If projected market demand forces do not materialize during the forecast, this oversupply will not materially skew projections.

New urban area capacity

"New urban areas" are those areas that have been added to the UGB in recent years that do not yet have urban zoning or adopted comprehensive plans[24]. Consequently, planning documents, rather than GIS analysis, are typically the basis for how capacity in new urban areas is handled in the BLI. Possible sources of information include:

- Draft comprehensive plans
- Adopted concept plans
- Draft concept plans
- Conditions of approval that were attached to the UGB expansion.

The UGR goes through a subsequent step of determining, in consultation with local jurisdictions, what portion of the capacity in new urban areas is likely to be developed in the 20-year timeframe. Examples of sources of information that can inform those determinations are local staff knowledge, status of planning and infrastructure provisions, and the 2035 Growth Distribution. As with redevelopment capacity, new urban area capacity may be expressed as a range in the UGR. Please refer to the GIS shapefile for case-by-case capacity estimates when comprehensive plans or zoning plans were not used in calculations (i.e., in deference to other local input).

[24] This marks a change from the 2009 UGR, which asserted that any area that was added to the UGB from 1998 onward was a new urban area, even if zoning ordinances had been adopted. The new method considers a narrower set of areas to be new urban areas. All other areas are handled according to the standard BLI methods described in this paper.

2014 Urban Growth Report: buildable land inventory technical working group

This group advised Metro staff on the methods used for identifying the region's buildable land inventory.

Name	Affiliation
Jill Sherman	Gerding Edlen
Eric Cress	Urban Development Partners NW
Steve Kelley	Washington County
Brian Hanes	Washington County
Erin Wardell	Washington County
Colin Cooper	Hillsboro
Ali Turiel	Hillboro
Emily Tritsch	Hillsboro
Ken Rencher	Beaverton
Mike Rizzitiello	Beaverton
Larry Conrad	Clackamas County
Denny Egner	Lake Oswego, Milwaukie
Chris Neamtzu	Wilsonville
Chuck Beasley	Multnomah County
Adam Barber	Multnomah County
Tom Armstrong	Portland
Tyler Bump	Portland (alternate)
Brian Martin	Gresham
Mike Tharp	Norris, Beggs, and Simpson
Bob LeFeber	Commercial Realty Advisors
Drake Butsch	First American Title Company
Stuart Skaug	CB Richard Ellis
Dan Grimberg	Arbor Homes
Jeff Bacharach	Bacharach Law
Andrew Tull	3J Consulting
Justin Wood	Home Builders Association of Metropolitan Portland
Anne Debbaut	DLCD
Jennifer Donnelly	DLCD
Tom Hogue	DLCD
Gordon Howard	DLCD

2014 Urban Growth Report: residential supply range technical working group

This group is advising Metro staff on how much of the residential buildable land inventory's redevelopment supply may be developable in the 20-year time horizon.

Name	Affiliation
Erin Wardell	Washington County
Jeannine Rustad	Hillsboro
Emily Tritsch	Hillsboro
Gordon Howard	DLCD
Anne Debbaut	DLCD
Jennifer Donnelly	DLCD
Tom Armstrong	Portland
Justin Wood	Home Builders Association
Jerry Johnson	Johnson Economics
Eric Hovee	E.D. Hovee and Associates

2014 Urban Growth Report: employment land technical working group

This group advised Metro staff on how various employment sectors use building space (square feet per employee and floor-area ratios).

Name	Affiliation
Bob LeFeber	Commercial Realty Advisors
Mark Childs	Capacity Commercial
Michael Williams	Business Oregon
Steve Kountz	Portland
Tyler Bump	Portland
Brian Owendoff	Capacity Commercial
Mike Tharp	Norris, Beggs, and Simpson

Agenda Item No. 4.0

2014 RTP AND 2015-2018 MTIP ENVIRONMENTAL JUSTICE AND TITLE VI ASSESSMENT – PROCESS SCHEDULE AND SCOPE OF ANALYSIS

Metro Council Work Session
Tuesday, Apr. 22, 2014
Metro, Council Chamber

METRO COUNCIL

Work Session Worksheet

PRESENTATION DATE: April 22, 2014 **TIME:** 3:05 PM **LENGTH:** 30 minutes

PRESENTATION TITLE: 2014 RTP and 2015-2018 MTIP Environmental Justice and Title VI Assessment – Process Schedule and Scope of Analysis

DEPARTMENT: Planning and Development

PRESENTER(S): Ted Leybold, Planning and Development x1759
Grace Cho, Planning and Development x1776

WORK SESSION PURPOSE & DESIRED OUTCOMES

Purpose: To provide an overview of the 2014 Regional Transportation Plan (RTP) and 2015-2018 Metropolitan Transportation Improvement Program (MTIP) Environmental Justice and Title VI assessment that will be shared as part of the public comment period scheduled for May 2014.

Outcome: An understanding of the analysis, public comment and adoption process in preparation for adoption of the final report findings and recommendations (scheduled for JPACT and Council consideration in July).

TOPIC BACKGROUND & FRAMING THE WORK SESSION DISCUSSION

As a metropolitan planning organization, Metro is required to conduct an Environmental Justice and Title VI assessment of the agency's transportation planning and programming activities. Recent changes to federal rules, direction of federal regulators to Metro, and Metro's development of an Equity Strategy has advanced how staff is conducting the analysis and reporting process for the 2014 RTP and the 2015-18 MTIP. Therefore, staff would like to update the Council on the analysis and report process.

Staff will outline the process and schedule for the investment analysis to prepare for the upcoming public comment period and subsequent consideration of the analysis report and recommendations. The input received during the public comment period will help shape findings and recommendations for consideration by TPAC, JPACT, and the Metro Council. Regional discussions will kick off with the public comment period scheduled for mid-May 2014.

The 2014 RTP and 2015-2018 MTIP Environmental Justice and Title VI Assessment fulfills federal requirements, but is relevant to the work being conducted through Metro's Equity Strategy. Metro staff is coordinating to identify areas where work may support both programs, but also proceeding to meet federal requirements for the RTP and MTIP as the regional equity strategy is finalized.

QUESTIONS FOR COUNCIL CONSIDERATION

- Do Council members have further questions about the Title VI and Environmental Justice analysis scope or the next steps in the process?

PACKET MATERIALS

- Would legislation be required for Council action? In July 2014
- If yes, is draft legislation attached? No
- What other materials are you presenting today? Maps, Power point presentation

600 NE Grand Ave.
Portland, OR 97232-2736
www.oregonmetro.gov

Metro | *Memo*

Date: April 4, 2014

To: Metro Council

From: Ted Leybold, Metropolitan Transportation Improvement Program Manager
Grace Cho, Assistant Transportation Planner

Subject: 2014 RTP and 2015-2018 MTIP Environmental Justice and Title VI Assessment – Scope of Analysis and Process Schedule

Purpose
To provide an understanding of the analysis, public comment and adoption process in preparation for possible constituent communications and adoption of the final report findings and recommendations (scheduled for JPACT and Council consideration in July).

Background
As a metropolitan planning organization, part of the region's federal obligations requires Metro to conduct an Environmental Justice and Title VI assessment of the agency's transportation planning and programming activities. Therefore, a component of the 2014 RTP update and the 2015-2018 MTIP is an investment analysis which assesses where transportation investments are being made relative to concentrations of five identified environmental justice communities.

Council will be presented the process schedule for the analysis to prepare for the upcoming public comment period and scope of the analysis report to prepare for questions which will be asked as part of the public comment period. The input received during the public comment period is intended to help shape findings and recommendations for consideration by TPAC, JPACT, and the Metro Council. Regional discussions will kick off with a public comment period schedule for mid-May 2014.

The 2014 RTP and 2015-2018 MTIP Environmental Justice and Title VI Assessment fulfills federal requirements, but is also relevant to the work being conducted through Metro's Equity Strategy. Transportation planning staff is coordinating with Metro Equity Strategy staff to identify areas where work may support both programs, but also proceeding to meet federal requirements for the RTP and MTIP as the regional equity strategy is finalized.

Contents and Framework of Assessment
The 2014 RTP and 2015-2018 MTIP Environmental Justice and Title VI assessment is staged in three phases. The first phase involved determining the definitions, thresholds, and overall methodology for the assessment.

The second phase will illustrate the results of a quantitative analysis applied to the region's short-term (via the 2015-2018 MTIP) and long-term (via the 2014 RTP) transportation investments. The analysis will examine where transportation investments are being proposed relative to concentrations of environmental justice communities within the region. The assessment uses benchmarks of transportation investment per person per acre to determine if there are disproportionate investments.

The third phase focuses on understanding the how the transportation investments proposed for the region in the short-term and the long-term affect environmental justice communities at a programmatic level.

Public Comment Period and Final Report
Survey results and comments at the TriMet community forums provided the feedback that whether a transportation investment is perceived as a benefit or a burden depends greatly on the context of each individual or community. This is why summary of the public comments about the short and long-term investment analysis and program is a critical component to the final report and its recommendations.

The following items related to the 2014 RTP and 2015-2018 MTIP Environmental Justice and Title VI assessment are being prepared for the public comment period:

- Maps of transportation investments in the region for the 2014 RTP and the 2015-2018 MTIP
- Demographic maps showing where concentrations of environmental justice communities are located within the region.
- Summary of potential burdens and benefits associated with transportation investments.
- Summary of short and long-term transportation investments relative to environmental justice and Title VI communities with data findings.

The demographic maps of where concentrations of environmental justice communities are attached as information for Council.

To understand the how the transportation investments proposed for the region in the short-term and the long-term affect environmental justice communities at a programmatic level the following questions will be asked:

1) What are the different positive and negative experiences environmental justice and Title VI communities experience with different transportation investments? (See Attachment A for a list of potential experiences)
2) At a programmatic scale, (not project-specific) what can the region do to help reduce disproportionate negative impacts on environmental justice communities and eliminate disparate impacts? Which can be implemented in the short-term? Which can be implemented and monitored over time?

The feedback will help gather a greater understanding of the positive and negative effects environmental justice communities may experience with transportation investments in the short and long-term. Based on the analysis and the feedback received through the public engagement process, findings and recommendations of regional strategies to address disproportionate burdens or disparate impacts will be developed for consideration by JPACT and the Metro Council.

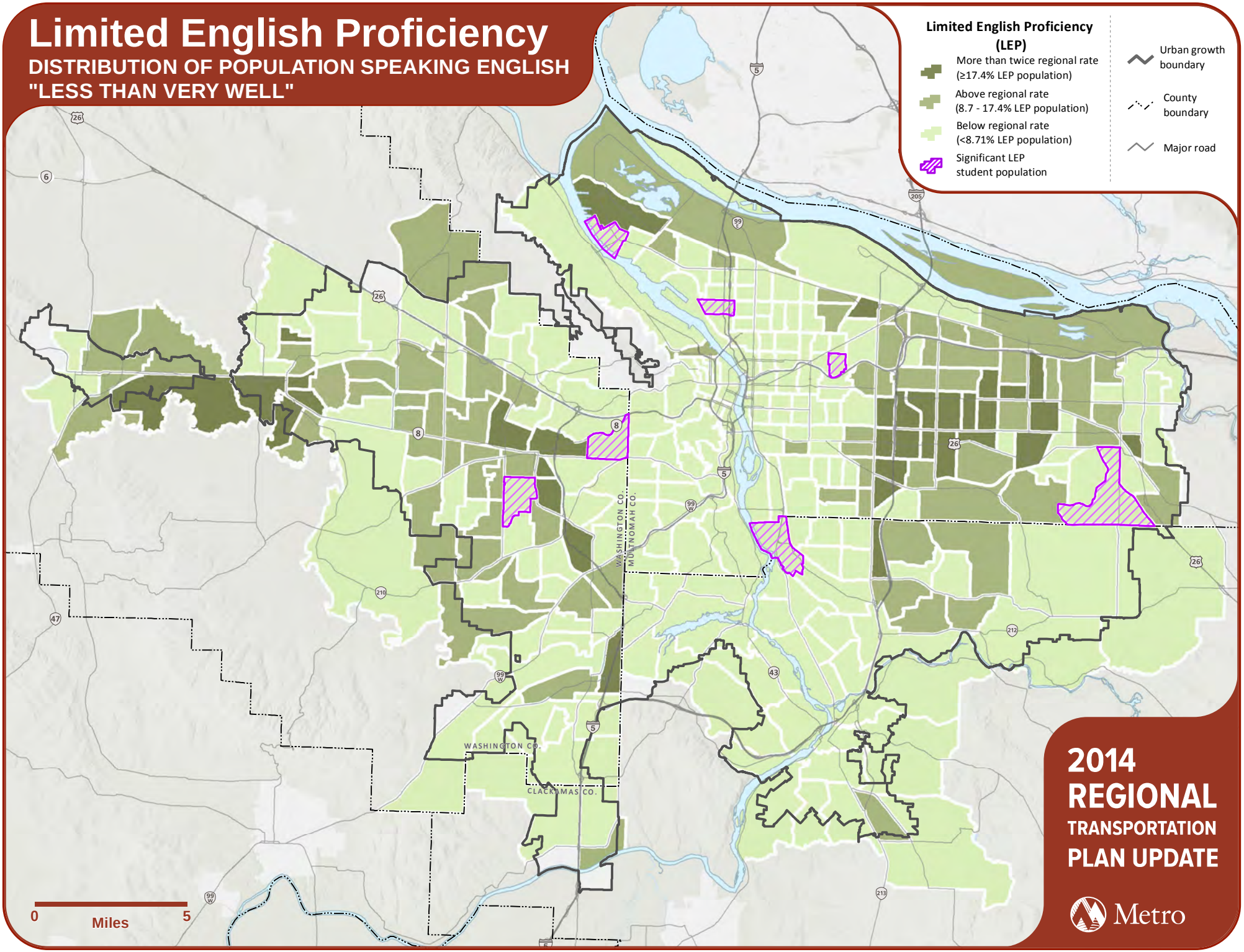
Schedule
The following is the schedule of engagement to be conducted as part of the third phase of the assessment.

Activity	Date
Presentation of 2014 RTP and 2015-2018 MTIP Environmental Justice and Title VI assessment method to TPAC	March 28, 2014
Focus group with environmental justice organizations to review assessment method	April 2, 2014
Presentation of 2014 RTP and 2015-2018 MTIP Environmental Justice and Title VI assessment method to JPACT	April 10, 2014
Preview of results for the Draft 2014 RTP and 2015-2018 MTIP Environmental Justice and Title VI assessment method with Metro Council	April 22, 2014
Presentation of 2014 RTP and 2015-2018 MTIP Environmental Justice and Title VI assessment method to MTAC	May 7, 2014
Presentation of 2014 RTP and 2015-2018 MTIP Environmental Justice and Title VI assessment method to MPAC	May 14, 2014
Release of Draft 2014 RTP and 2015-2018 MTIP Environmental Justice	May 16, 2014

and Title VI assessment for public comment	
Close of Public Comment	June 15, 2014
Develop findings and recommendations for the 2014 RTP and 2015-2018 MTIP Environmental Justice and Title VI assessment	June 2014
Presentation of findings and recommendations from the 2014 RTP and 2015-2018 MTIP Environmental Justice and Title VI assessment with Metro Council	June 24, 2014
Presentation of findings and recommendations from the 2014 RTP and 2015-2018 MTIP Environmental Justice and Title VI assessment with TPAC Recommendation	June 27, 2014
Presentation of findings and recommendations from the 2014 RTP and 2015-2018 MTIP Environmental Justice and Title VI assessment with JPACT Action	July 10, 2014
Metro Council Adoption by Resolution	July 17, 2014

Limited English Proficiency

DISTRIBUTION OF POPULATION SPEAKING ENGLISH "LESS THAN VERY WELL"



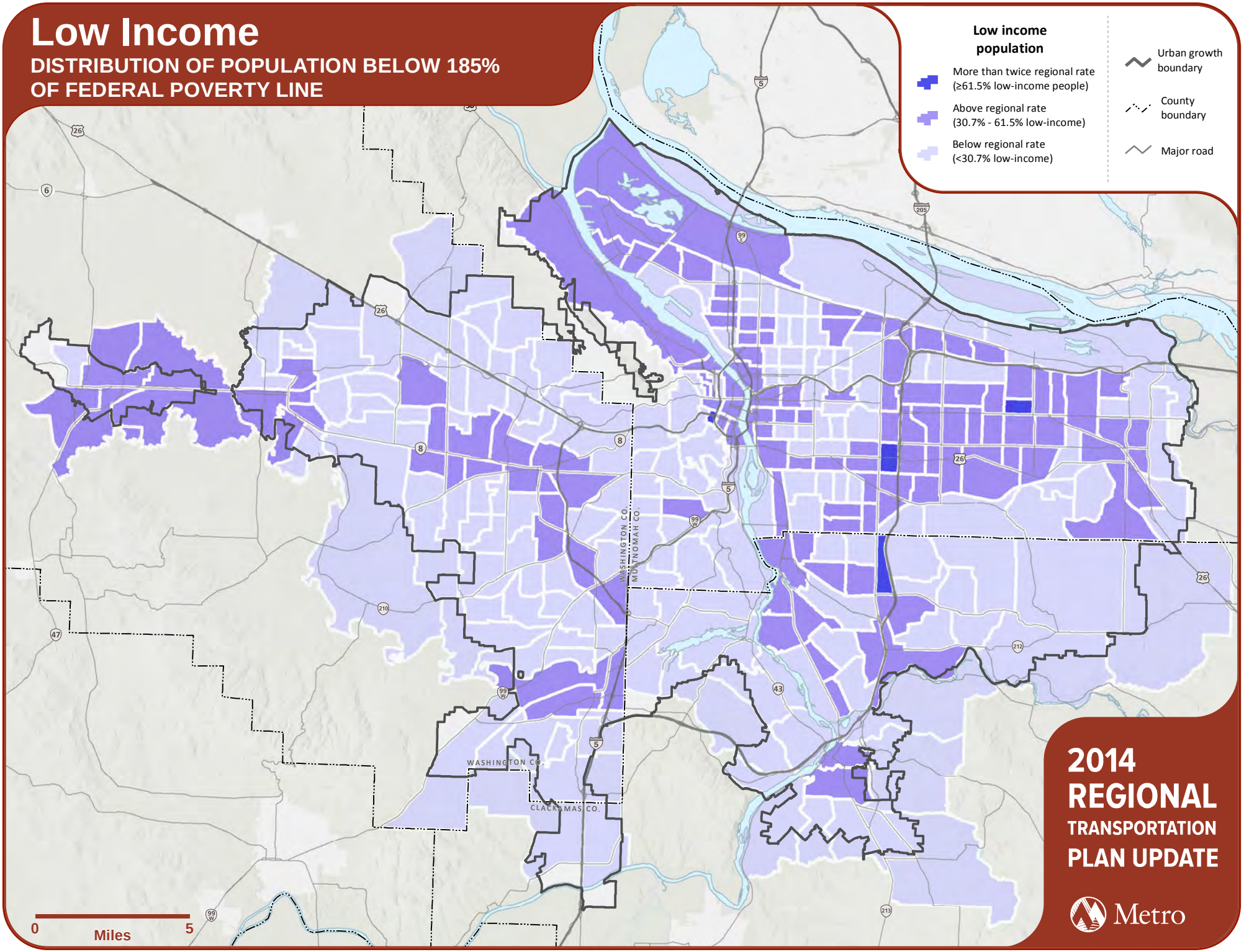
2014 REGIONAL TRANSPORTATION PLAN UPDATE

Metro

Data sources: U.S. Census, 2008-2012 American Community Survey, Table DP02 (census tract scale); 2011-2012 Oregon Department of Education. Additional tracts identified as strong likelihood of concentrated limited English proficiency population based on language spoken at home data from the Oregon Department of Education.
Created February 27, 2014 at M:\plan\drc\projects\14022_EJ_TitleVI_2014\D_MXDs\LimitedEnglish.mxd.Transportation investments shown are those which have an identified spatial element provided by the local nominating agency. Programmatic projects including regional programs are not shown.

Low Income

DISTRIBUTION OF POPULATION BELOW 185% OF FEDERAL POVERTY LINE



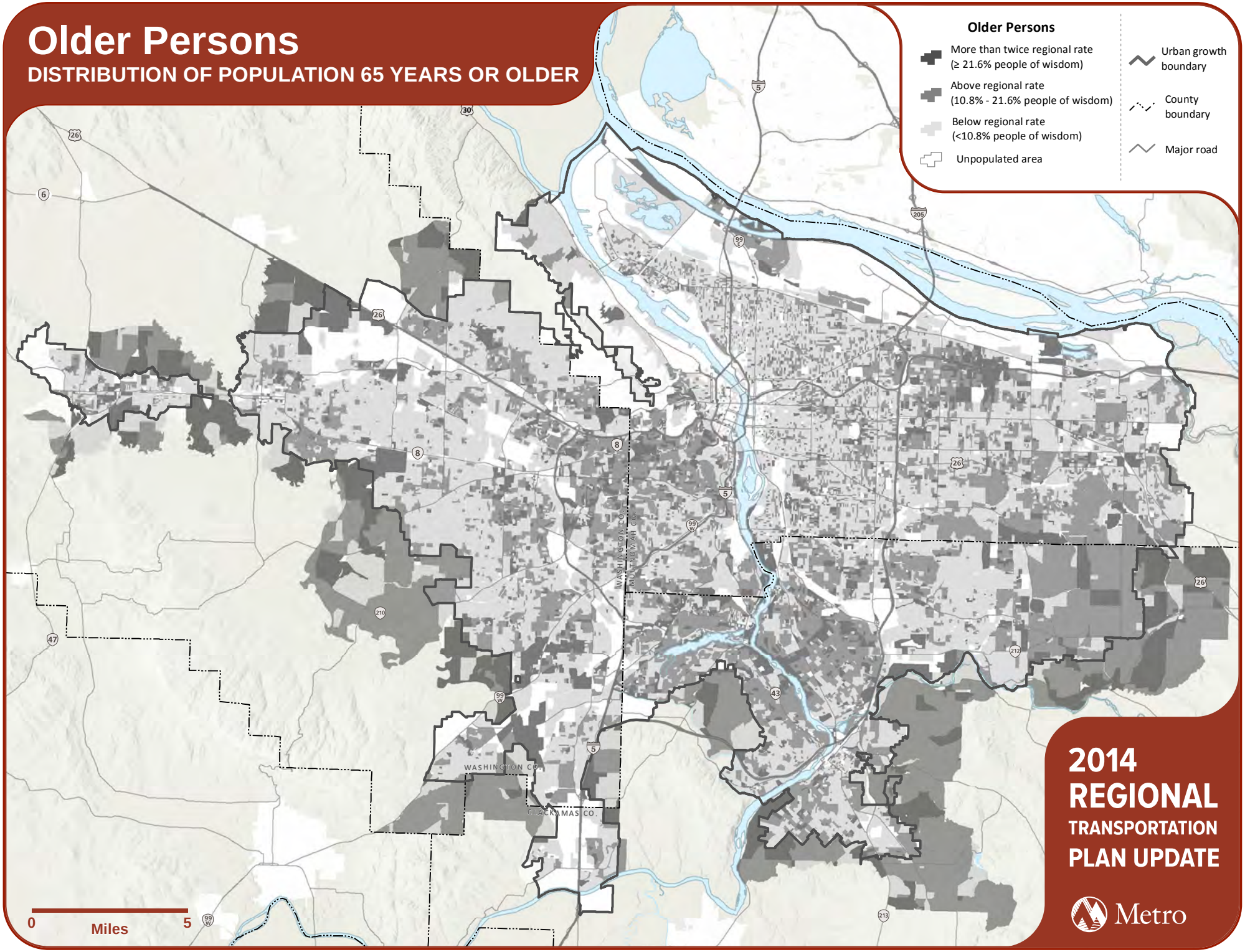
2014 REGIONAL TRANSPORTATION PLAN UPDATE

Metro

Data source: U.S. Census Bureau, 2008-2012 American Community Survey, Table S1701 (census tract scale). Created February 27, 2014 at M:\plan\drc\projects\14022_EJ_TitleVI_2014\D_MXDs\LowIncome.mxd.
Transportation investments shown are those which have an identified spatial element provided by the local nominating agency. Programmatic projects including regional programs are not shown.

Older Persons

DISTRIBUTION OF POPULATION 65 YEARS OR OLDER



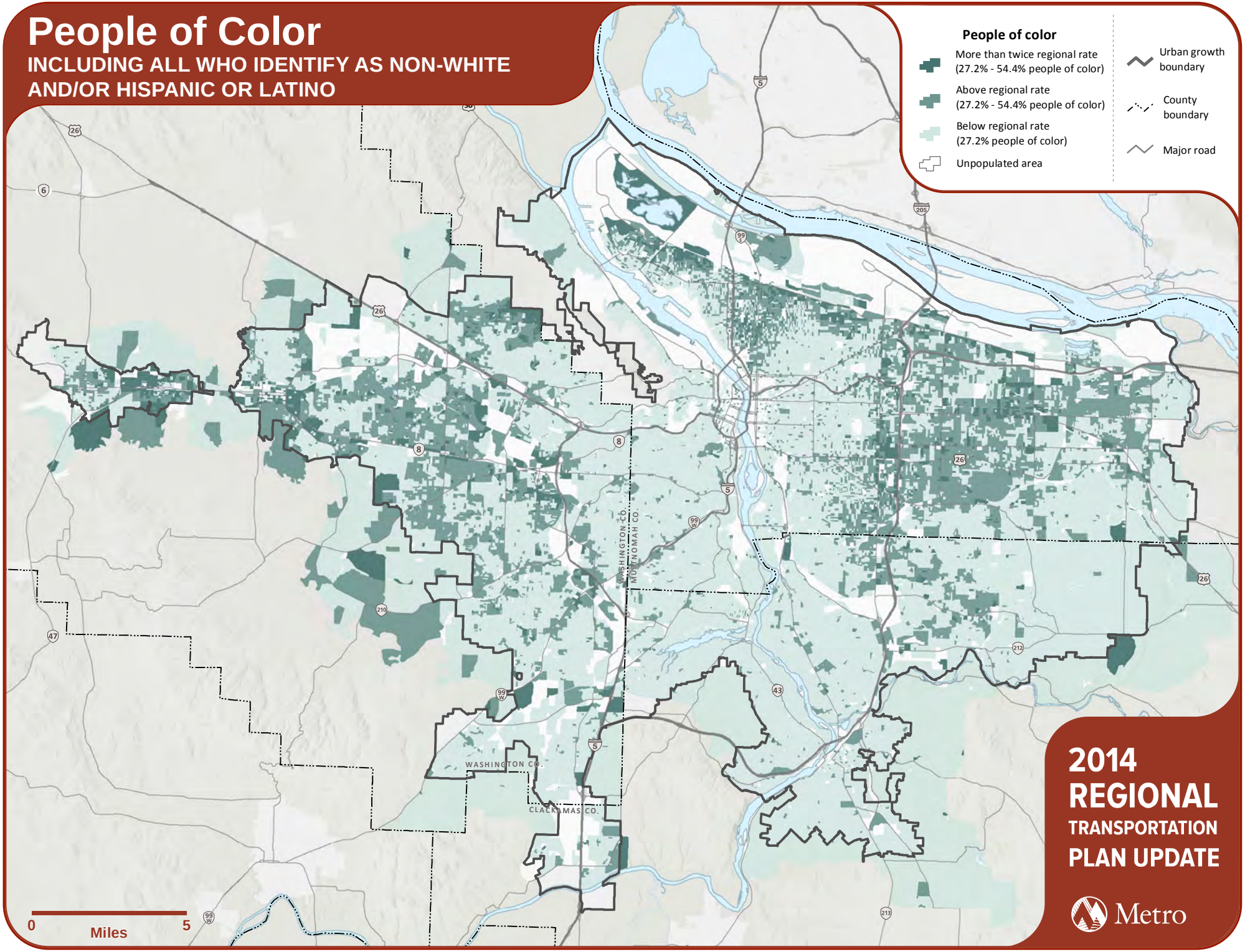
2014 REGIONAL TRANSPORTATION PLAN UPDATE

Metro

Data source: U.S. Census Bureau, 2010 Census Summary File 1, Table P12 (census block scale). Created February 27, 2014 at M:\plan\drc\projects\14022_EJ_TitleVI_2014\D_MXDs\OlderPersons.mxd
Transportation investments shown are those which have an identified spatial element provided by the local nominating agency. Programmatic projects including regional programs are not shown.

People of Color

INCLUDING ALL WHO IDENTIFY AS NON-WHITE AND/OR HISPANIC OR LATINO



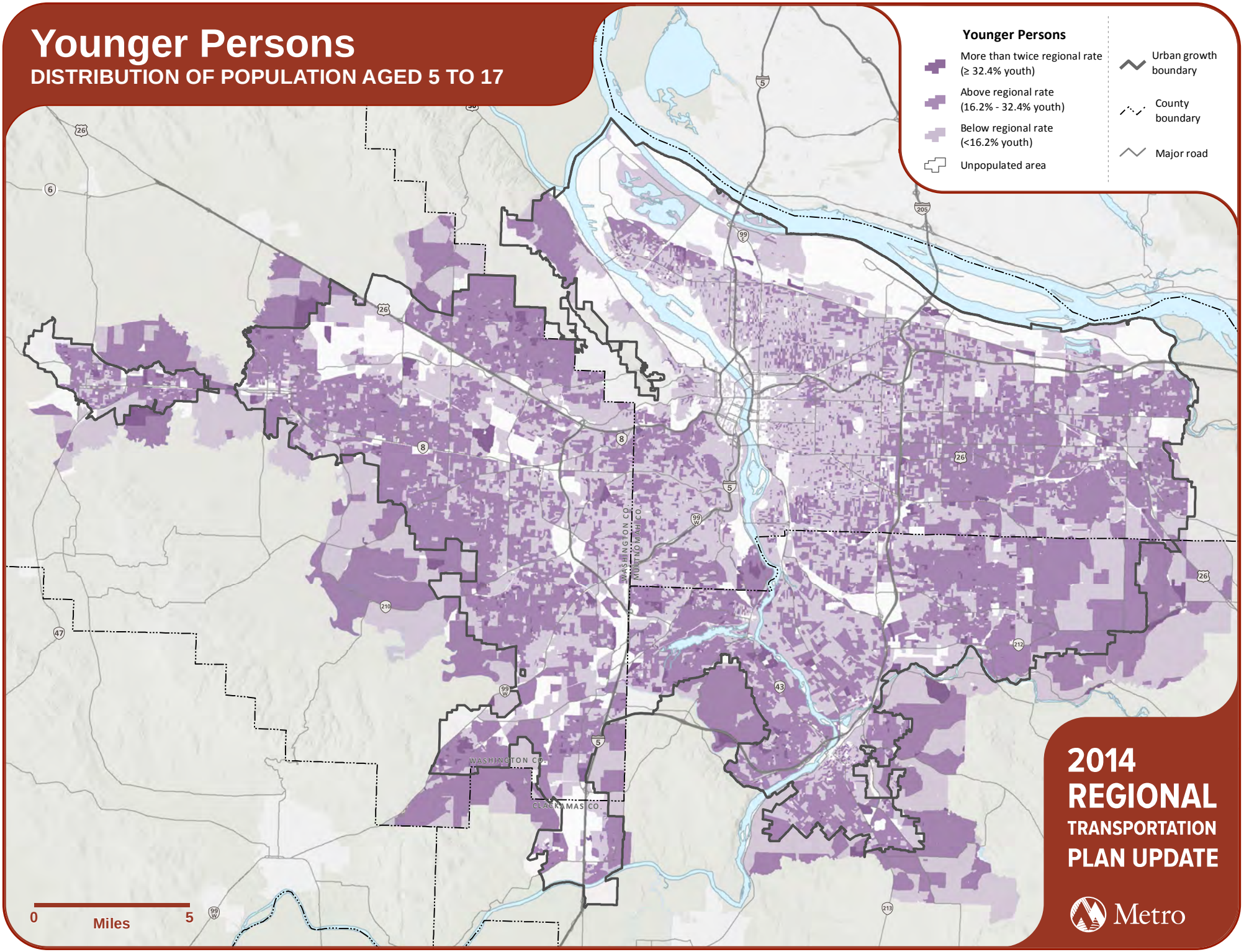
2014 REGIONAL TRANSPORTATION PLAN UPDATE

Metro

Data source: U.S. Census Bureau, 2010 Census Summary File 1, Table P9 (census block scale). Created February 27, 2014 at M:\plan\drc\projects\14022_EJ_TitleVI_2014\D_MXDs\PeopleOfColor.mxd
Transportation investments shown are those which have an identified spatial element provided by the local nominating agency. Programmatic projects including regional programs are not shown.

Younger Persons

DISTRIBUTION OF POPULATION AGED 5 TO 17



2014 REGIONAL TRANSPORTATION PLAN UPDATE

Metro

Data source: U.S. Census Bureau, 2010 Census Summary File 1, Table P12 (census block scale). Created February 27, 2014 at M:\plan\drc\projects\14022_EJ_TitleVI_2014\D_MXDs\YoungerPersons.mxd
Transportation investments shown are those which have an identified spatial element provided by the local nominating agency. Programmatic projects including regional programs are not shown.

Materials following this page were distributed at the meeting.

600 NE Grand Ave.
Portland, OR 97232-2736

Metro | *Agenda*

Meeting: Metro Council
Date: Thursday, April 24, 2014
Time: 2 p.m.
Place: Metro, Council Chamber

DRAFT #1

CALL TO ORDER AND ROLL CALL

1. INTRODUCTIONS

2. CITIZEN COMMUNICATION

3. LEAVE MANAGEMENT FOLLOW-UP AUDIT REPORT — **Metro Auditor Suzanne Flynn**

4. CONSIDERATION OF THE COUNCIL SUMMARY FOR APRIL 17, 2014

5. RESOLUTIONS

5.1 Metro Chief Operating Officer Acting as Budget Officer Presents the Proposed Fiscal Year 2014-2015 Budget and Budget Message to the Metro Council Acting as the budget Committee. — **Martha Bennett, Metro**

5.1.1 **Resolution No. 14-4515,** For the Purpose of Adopting the Annual Budget for Fiscal Year 2014-15, Making Appropriations, Levying Ad Valorem Taxes and Authorizing an Interfund Loan.

5.1.2 Public Hearing on Resolution No. 14-4515

6. CHIEF OPERATING OFFICER COMMUNICATION

7. COUNCILOR COMMUNICATION

ADJOURN

Television schedule for April 24, 2014 Metro Council meeting

Clackamas, Multnomah and Washington counties, and Vancouver, WA Channel 30 – Community Access Network *Web site*: www.tvctv.org *Ph*: 503-629-8534 *Date*: Thursday, April 24	**Portland** Channel 30 – Portland Community Media *Web site*: www.pcmtv.org *Ph*: 503-288-1515 *Date:* Sunday, April 27, 7:30 p.m. *Date*: Monday, April 28, 9 a.m.
Gresham Channel 30 - MCTV *Web site*: www.metroeast.org *Ph*: 503-491-7636 *Date*: Monday, April 28, 2 p.m.	**Washington County and West Linn** Channel 30– TVC TV *Web site*: www.tvctv.org *Ph*: 503-629-8534 *Date*: Saturday, April 26, 11 p.m. *Date*: Sunday, April 27, 11 p.m. *Date*: Tuesday, April 29, 6 a.m. *Date*: Wednesday, April 30, 4 p.m.
Oregon City and Gladstone Channel 28 – Willamette Falls Television *Web site*: http://www.wftvmedia.org/ *Ph*: 503-650-0275 Call or visit web site for program times.	

PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times. Agenda items may not be considered in the exact order. For questions about the agenda, call the Metro Council Office at 503-797-1540. Public hearings are held on all ordinances second read. Documents for the record must be submitted to the Regional Engagement and Legislative Coordinator to be included in the meeting record. Documents can be submitted by e-mail, fax or mail or in person to the Regional Engagement and Legislative Coordinator. For additional information about testifying before the Metro Council please go to the Metro web site www.oregonmetro.gov and click on public comment opportunities.

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600 NE Grand Ave.
Portland, OR 97232-2736
www.oregonmetro.gov

Metro | *Making a great place*

April 22, 2014

Secretary Anthony Foxx
US Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

Dear Secretary Foxx:

As the metropolitan planning organization (MPO) for the Portland metropolitan region, we are pleased to submit the Access to Opportunity Corridor project for a 2014 TIGER *planning* grant with fellow project parties, Oregon Department of Transportation and TriMet. This grant will help bring the benefits of high capacity transit (HCT) to some of the most diverse and underserved communities in the Portland metropolitan region. It will support the success of the next generation of residents by increasing access to key educational and employment opportunity areas in our region, and capturing the economic, social and environmental value of HCT investments in the communities it serves.

Leveraging $1.28 million in local planning commitments, the Access to Opportunity Corridor project will build community partnerships and deliver development strategies around five key nodes. This expansive HCT corridor will provide new transportation options for underserved communities and reduce congestion along some of the region's fastest growing employment areas. The project crosses Washington and Multnomah Counties, and focuses on the cities of Gresham, Portland and Tigard. It crosses the 1st and 3rd Congressional Districts, and touches on the commuter-shed of the 5th District.

The specific benefits this work would have for our region include:

- Creating development partnerships between educational institutions, major employers, developers, and local communities to maximize the benefits of HCT to peripheral economic areas;
- Engaging diverse community groups in the planning process and development agreements;
- Leveraging other public and private investment;
- Building on previous federal, state and local transportation investments;
- Helping establish consensus around the proposed HCT corridor; and
- Connecting the region's largest high schools, community colleges, universities, and employers to each other.

Our region understands the highly competitive nature of this grant program and has worked hard to align our planning needs with our key partners to develop a proposal that reflects our shared regional priorities. The Access to Opportunity Corridor projects will focus resources to better connect transit, education, and employment to support our region's economic recovery for the next generation.

Thank you for your consideration.

Sincerely,

Tom Hughes, President
Metro Council

Shirley Craddick,
Metro Council, District 1

Carlotta Collette
Metro Council, District 2

Craig Dirksen
Metro Council, District 3

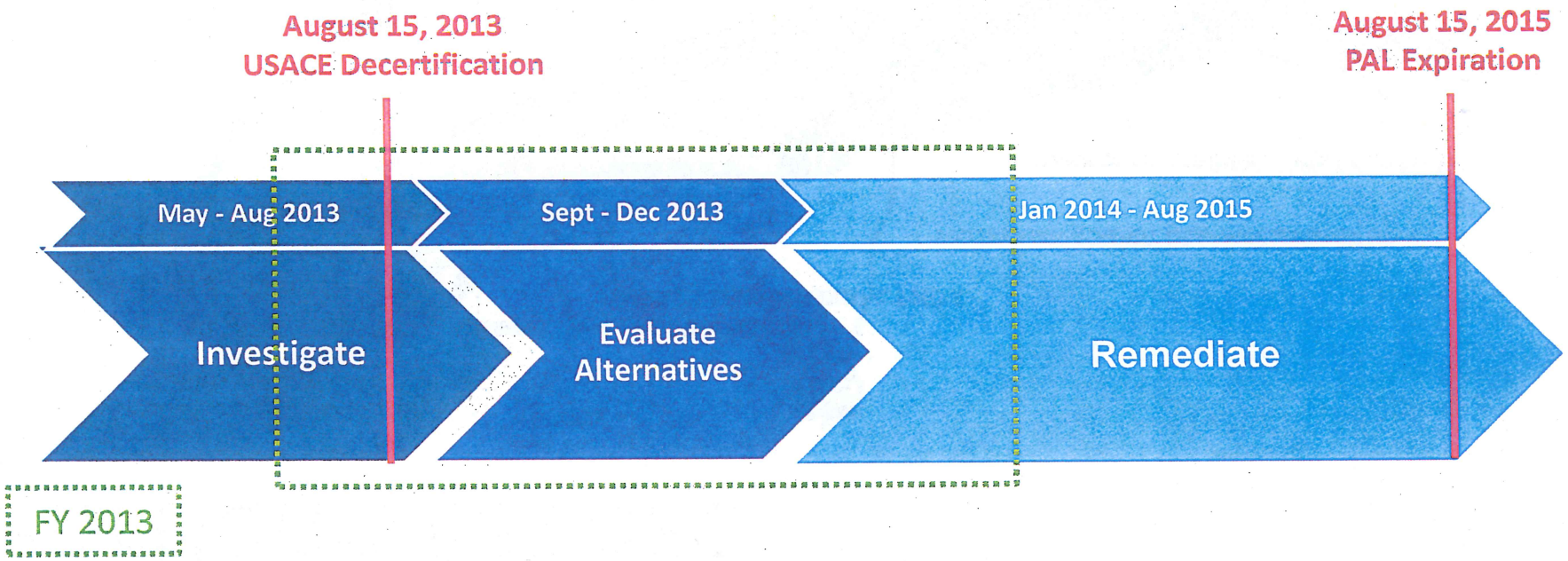
Kathryn Harrington
Metro Council, District 4

Sam Chase
Metro Council, District 5

Bob Stacey
Metro Council, District 6

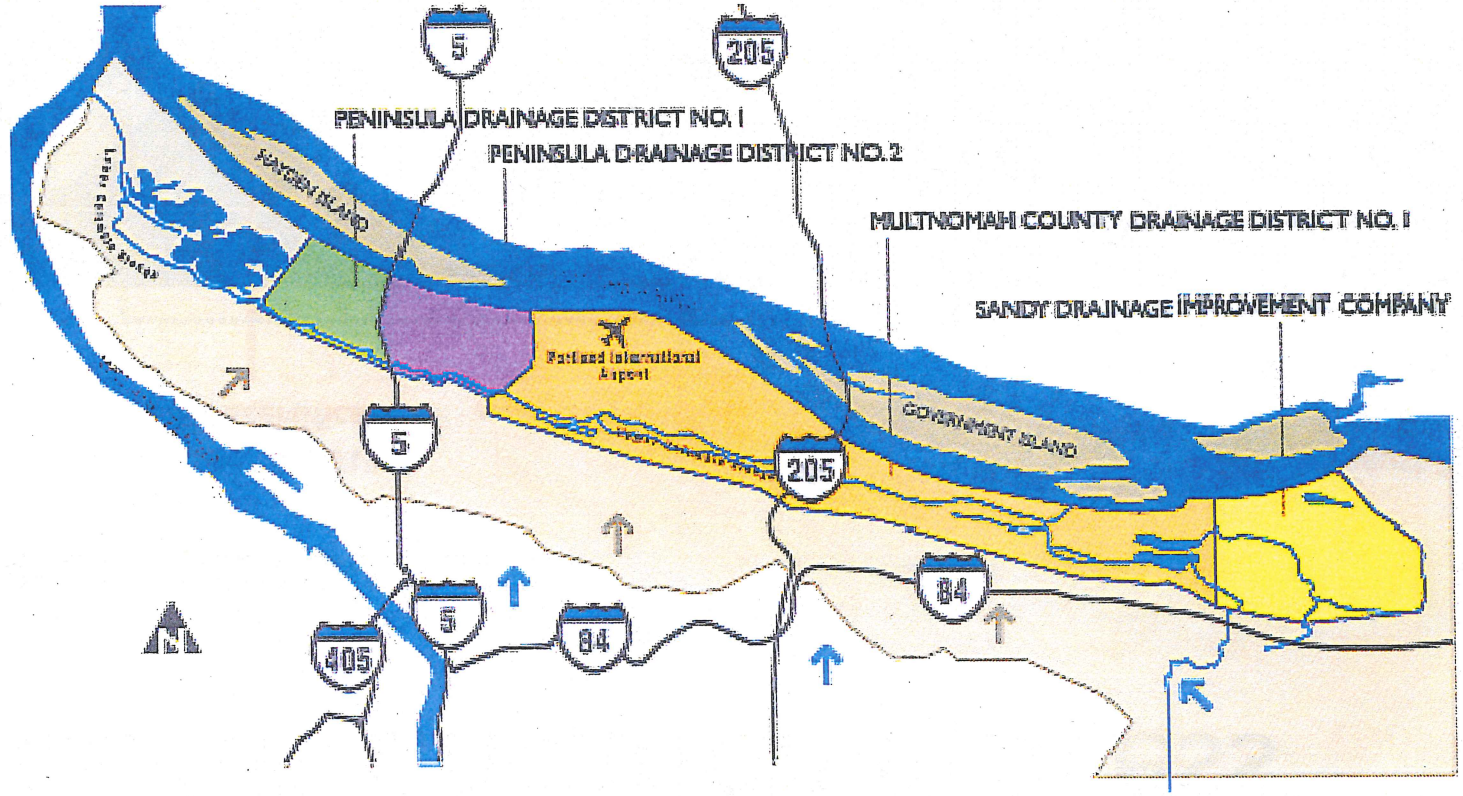
Levee Certification Process

PENINSULA 1 & 2 DISTRICTS



Note: MCDD Recertification Deadline – 2017

Portland Levees



2015 growth management decision

Buildable Land Inventory

Metro Council work session

4/22/14

Technical engagement

Fall 2010 – Fall 2012

Local planners assist with development of supply assumption methods for 2035 Forecast Distribution.

Spring 2013 – Fall 2013

Local planners and private sector reps advise on refined methods for accounting for redevelopment, infill, and environmental constraints.

Fall 2013 – Winter 2013

Preliminary inventory available to local jurisdictions for review.

Spring 2014

Local planners and private sector reps advise on methods for identifying what portion of the inventory might be developable in the 20-year time horizon.

Data Resource Center\Metro

Reasons for differentiating between the buildable land inventory and the region's 20-year growth capacity

- Planning challenges
- Annexation challenges
- Infrastructure deficiencies
- Neighborhood opposition to development can result in lower density than allowed
- Some existing uses are profitable – no motive to redevelop
- Plans may outpace market demand

Might it redevelop in the next 20 years?

Market value of land and improvements

What a developer may be willing to pay

If it redevelops, at what intensity will it be?

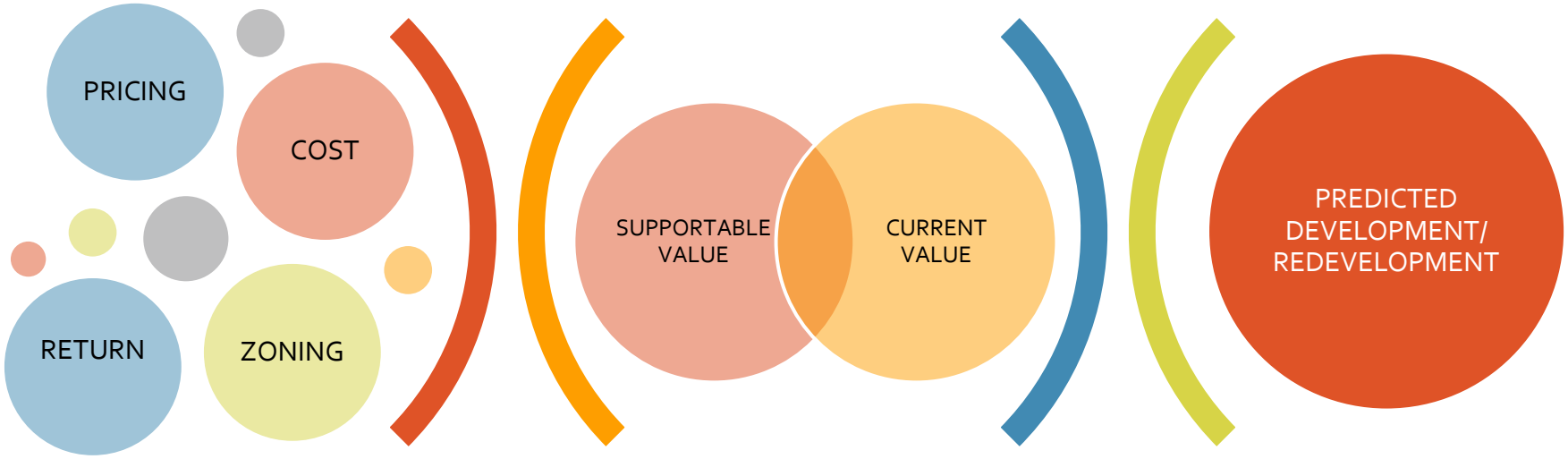
Employment analysis:
different market areas, uses, and building types

PREDICTING REDEVELOPMENT AND INFILL

- Infill and Redevelopment are a Function of Market Factors
  - Achievable Pricing
  - Residual Land Values
  - Market Clearing Prices
- Redevelopment occurs when the value of the property under the new program exceeds the value of land and improvements under the existing program
- By nature, redevelopment capacity cannot exceed demand

JOHNSON ECONOMICS

OVERVIEW OF BASIC FLOW DEVELOPMENT PREDICTION MODEL



RESIDUAL PROPERTY VALUE MODULE

LIKELIHOOD OF DEVELOPMENT MODULE

PREDICTED MAGNITUDE AND FORM OF DEVELPOMENT

JOHNSON ECONOMICS

REDEVELPOMENT/INFILL CAPACITY

- Model can identify what we view as “rational” redevelopment options, but can’t factor in all variables
  - Property owner/investor disposition
- Significant underbuilding relative to zoned density should be expected
  - In metro area outside of portions of the Portland CBD, entitlements are rarely a limiting factor in terms of density

COMMERCIAL/INDUSTRIAL

- OFFICE/INDUSTRIAL DEMAND A FUNCTION OF SPACE NEEDED TO HOUSE EMPLOYEES NECESSARY TO RUN BUSINESS
  - Square footage per employee ratio by industry/function most useful approach

- EMPLOYMENT DENSITIES ARE A FUNCTION OF DEVELOPMENT FORM, AND WILL VARY BASED ON FUNCTION AND LOCATION
  - Real estate solutions that represent the lowest cost of occupancy will vary widely across the region
  - Employment space needs are less fungible than residential, in that the demand is tied to a business with operational needs that can be fairly specific
    - Size
    - Location
    - Access

Communities of Concern and the 2014 RTP and 2015-18 MTIP

The analysis and process for communities of concern associated with the long-range transportation plan (RTP)and near-term transportation investments (MTIP).

Where we are in the process

2014	2014 RTP	2015-18 MTIP
March	• Plan drafted from existing plan updates	• Program drafted from allocation processes
April	• Public comment period on plan • Title VI and Environmental Justice Analysis and the Air Quality Analysis	• Public comment period on program • Title VI and Environmental Justice Analysis and the Air Quality Analysis
May – June	• Public comment period on Title VI-EJ and AQ analyses	• Public comment period on Title VI-EJ and AQ analyses
July	• Adoption of Plan and analysis reports	• Adoption of Program and analysis reports

What we are asked to do

- Demographic summary of the region
- Public comment process
- Analysis to inform of potential disproportionate burdens
- Analysis to inform of potential disparate impacts of transit investments
- Avoid, mitigate, or justify burdens and impacts

A point of clarification

The analysis and recommendations apply at a **regional plan and program scale**.

Project sponsors must also comply with Title VI and Environmental Justice at a project scale.

Analysis steps

- Developed options for definitions and thresholds for defining Communities of Concern
- Developed draft analysis methodology
- Surveyed stakeholders on draft definitions and analysis method
- Performing analysis for public comment

Analysis limitations

- Analysis of capital investments only - transit service analysis conducted by TriMet and SMART

- Not an analysis of the existing transportation conditions of Communities of Concern – only of new investments relative to identified communities

- Analysis is not tied to aspirational planning goals

Analysis method

- Identified Communities of Concern
  - People of Color
  - Limited English Proficiency
  - People of Wisdom (age 65+)
  - Youth (ages 5 – 17)
  - Low-income
- Analyze level of transportation investment
  - Investments in communities of concern relative to regional averages
  - By both concentrations of communities and by community as a whole
  - In total and by three investment types:
    - Active transportation
    - Roads and bridges
    - Transit
- Burdens and impacts are contextual

Draft Report – July 2014

- Summary of analysis
- Summary of public input
- Recommendations for action
  - Avoid, mitigate, or justify identified burdens & impacts
  - Future work plan items

Questions or Concerns?