



600 NE Grand Ave.
Portland, OR 97232-2736

Council meeting agenda

Thursday, January 16, 2025

10:30 AM

Metro Regional Center, Council chamber,
<https://zoom.us/j/615079992> (Webinar ID:
615079992) or 888-475-4499 (toll free)

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1. Call to Order and Roll Call

2. Public Communication

Public comment may be submitted in writing. It will also be heard in person and by electronic communication (video conference or telephone). Written comments should be submitted electronically by emailing legislativecoordinator@oregonmetro.gov. Written comments received by 4:00 p.m. the day before the meeting will be provided to the council prior to the meeting.

Those wishing to testify orally are encouraged to sign up in advance by either: (a) contacting the legislative coordinator by phone at 503-813-7591 and providing your name and the agenda item on which you wish to testify; or (b) registering by email by sending your name and the agenda item on which you wish to testify to legislativecoordinator@oregonmetro.gov. Those wishing to testify in person should fill out a blue card found in the back of the Council Chamber. Those requesting to comment virtually during the meeting can do so by using the "Raise Hand" feature in Zoom or emailing the legislative coordinator at legislativecoordinator@oregonmetro.gov. Individuals will have three minutes to testify unless otherwise stated at the meeting.

3. Ordinances (Second Reading and Vote)

- 3.1 Ordinance No. 25-1522 For the Purpose of Amending the
Industrial and Other Employment Areas Map of Title 4 of
the Urban Growth Management Functional Plan for the
Montgomery Park area of the City of Portland

[ORD 25-1522](#)

Presenter(s): Glen Hamburg (he/him), Senior Regional Planner

Attachments: [Ordinance No. 25-1522](#)
[Staff Report](#)
[Exhibit A](#)
[Exhibit B](#)
[Attachment 1](#)
[Attachment 2](#)
[Attachment 3](#)
[Attachment 4](#)
[Attachment 5](#)

4. Work Session

4.1 Integrated and Expanded Regional SHS/Affordable Housing Program: Proposed Policy Package [25-6186](#)

Presenter(s): Council President Lynn Peterson, Metro
Shane Abma, Senior Attorney, Metro
Andy Shaw, Metro

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

5. Chief Operating Officer Communication

6. Councilor Communication

7. Adjourn

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

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**3.1 Ordinance No. 25-1522 For the Purpose of Amending the
Industrial and Other Employment Areas Map of Title 4 of
the Urban Growth Management Functional Plan for the
Montgomery Park area of the City of Portland**
Ordinances

Metro Council Meeting
Thursday, January 16, 2025

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE) ORDINANCE NO. 25-1522
INDUSTRIAL AND OTHER EMPLOYMENT)
AREAS MAP OF TITLE 4 OF THE URBAN) Introduced by Chief Operating Officer
GROWTH MANAGEMENT FUNCTIONAL) Marissa Madrigal with the Concurrence of
PLAN FOR THE MONTGOMERY PARK) Council President Lynn Peterson
AREA OF THE CITY OF PORTLAND)

WHEREAS, the Regional Framework Plan (RFP) includes policies to protect a supply of suitable sites in the region for industrial uses and living-wage jobs, with such sites determined through the aid of local governments in the region; and

WHEREAS, the RFP also has policies to: promote, in cooperation with local governments and community residents, revitalization of existing city and neighborhood centers that are currently underutilized; recognize that social and economic decay in central areas of the region are threats to our region's quality of life and to the health of the regional economy; and ensure that all neighborhoods and all people have access to opportunity and share the benefits, as well as the burdens, of economic and population growth in the region; and

WHEREAS, the RFP has additional policies to: promote a compact urban form as a key climate action strategy; pursue opportunities for development and redevelopment of existing urban land to ensure that the prospect of living, working, and doing business in existing urban areas remains attractive to a wide range of households and employers; and promote walking, biking, transit use, access to parks, and mixed-use neighborhoods where residents can access daily needs, such as jobs, education shopping, services, recreation, and social and cultural activities, close to home; and

WHEREAS, RFP policies are implemented by Metro's functional plans, including the Urban Growth Management Functional Plan (UGMFP), which is codified as Metro Code Chapter 3.07; and

WHEREAS, Title 4, *Industrial and Other Employment Areas*, of the UGMFP has requirements for cities and counties to prohibit or limit certain non-industrial land uses in areas designated on the 'Industrial and Other Employment Areas Map' of Title 4 (i.e., the "Title 4 Map"), including in the nearly 42 acres designated Regionally Significant Industrial Area (RSIA) and in the nearly 17 acres designated Employment Area in the Montgomery Park neighborhood of Portland between NW Nicolai St and NW Vaughn St; and

WHEREAS, UGMFP Subsection 3.07.450(g) authorizes the Metro Council to amend the Title 4 Map at any time in order to better achieve RFP policies; and

WHEREAS, the City of Portland's 'Montgomery Park Area Plan' looks to transition the Montgomery Park neighborhood from an underdeveloped area around the former ESCO steel foundry into a transit-oriented, mixed-use district that supports job growth and housing development near an extension of streetcar service through the neighborhood, with a focus on equity and affordability; and

WHEREAS, removing the RSIA and Employment Area designations from the Montgomery Park neighborhood portion of the Title 4 Map would allow the City of Portland to permit parks, community centers, and retail commercial uses in the neighborhood without Title 4 restrictions on such non-industrial uses; and

WHEREAS, such non-industrial uses can support the job growth and residential uses that the Montgomery Park Area Plan envisages, and allowing such non-industrial uses in conjunction with new employment and housing opportunities in the neighborhood would better achieve RFP policies, as further outlined in Exhibit B to this ordinance; and

WHEREAS, the Metro Technical Advisory Committee voted on October 16, 2024, to recommend that the amendments in Exhibit A be recommended for adoption by the Metro Council; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The ‘Industrial and Other Employment Areas Map’ of Urban Growth Management Functional Plan Title 4, *Industrial and Other Employment Areas*, (i.e., the “Title 4 Map”) is hereby amended as shown in Exhibit A, attached to and incorporated into this ordinance, to remove approximately 42 acres of Regionally Significant Industrial Area designation and approximately 17 acres of Employment Area designation between NW Nicolai St and NW Vaughn St.
2. The Findings of Fact and Conclusions of Law in Exhibit B, attached to and incorporated into this ordinance, demonstrate how the amendments to the Title 4 Map in Exhibit A comply with applicable state and Metro requirements.

ADOPTED by the Metro Council this ___ day of January 2025.

Lynn Peterson, Council President

Attest:

Approved as to form:

Georgia Langer, Recording Secretary

Carrie MacLaren, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 25-1522, FOR THE PURPOSE OF AMENDING THE INDUSTRIAL AND OTHER EMPLOYMENT AREAS MAP OF TITLE 4 OF THE URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN FOR THE MONTGOMERY PARK AREA OF THE CITY OF PORTLAND

Date: December 23, 2024
Department: Planning, Development & Research

Prepared by: Glen Hamburg
Senior Regional Planner

BACKGROUND

On December 11, 2024, the Portland City Council voted unanimously to approve the City's "Montgomery Park Area Plan" (MPAP), which includes City land use plan changes for, and an extension of streetcar service through, the roughly 74-acre Montgomery Park area south of NW Nicolai St, north of NW Vaughn St, and west of Hwy 30. MPAP looks to transition the neighborhood into a new transit-oriented, mixed-use district that supports job growth and housing development with a focus on equity and affordability. The MPAP area is outlined in red in Attachment 2 and includes the former ESCO steel foundry.

Local adoption of MPAP follows from Federal Transit Administration (FTA) funded Metro grants to study the impacts of possible transit system expansions. It also follows years of community engagement activities led by the City, including in-person and virtual open houses, surveys, printed mailers, and dedicated outreach to Community Based Organizations and representatives of underserved communities. The City Council's decision to adopt MPAP was consistent with a recommendation from the City's Planning Commission.

Hearings leading up to the City's decision saw a range of testimony, including from property owners and business operators in the area, as well as from other interested parties. While the opinions expressed in the testimony were varied, testimony included advocacy for allowed residential uses in the area to be paired with certain retail commercial uses (e.g., a grocery store), a community center, and a park, particularly a park serving the wider Northwest Portland area.

Metro regulations did not prohibit the City from choosing to allow residential land uses in the Montgomery Park area. However, provisions in Title 4, *Industrial and Other Employment Areas*, of the Urban Growth Management Functional Plan (UGMFP) do require the City to prohibit/limit certain public, recreational, commercial, and service uses in the area as part of a program to protect a supply of sites in the region for industrial and other middle-wage jobs. Such non-industrial and non-residential uses, if allowed by Metro, may nonetheless be supportive of planned residential land uses, facilitate the development of transit-oriented complete communities in an underdeveloped but central area of the region, and advance other important Regional Framework Plan (RFP) policies. Allowing such uses could also be responsive to comments expressed in public testimony and supportive of the City's adopted vision for the Montgomery Park neighborhood.

Removing Metro's Title 4 prohibitions/limitations on certain public, recreational, commercial, and service uses requires an ordinance of the Metro Council amending the Title 4 'Industrial and Other

Employment Areas Map' (a.k.a., the 'Employment and Industrial Areas Map' or the 'Title 4 Map', which is Attachment 1) to no longer designate territory in the Montgomery Park area as 'Regionally Significant Industrial Area' (RSIA) or 'Employment Area'. At a July 23, 2024, work session, Metro Councilors expressed support for elements of the MPAP and the Metro Council directed Metro Staff to propose such an ordinance amending the Title 4 Map in order to better achieve policies of the RFP. Subsequently, the Metro Technical Advisory Committee (MTAC) and the Metro Policy Advisory Committee (MPAC) both voted to recommend adoption of the Title 4 Map amendments by the Metro Council.

PROPOSAL

Ordinance No. 25-1522 proposes to remove UGMFP Title 4 designations from approximately 59 acres¹ of territory in the Montgomery Park neighborhood, thereby removing Metro restrictions on parks schools, community centers, medical/dental facilities, and retail commercial uses (e.g., grocery stores) in the area in order to advance RFP policies.

ANALYSIS/INFORMATION

Known Opposition: As noted above, both MTAC and MPAC recommended approval of the proposed amendments to the Title 4 Map. However, at the December 11, 2024, MPAC meeting, two MPAC members opposed recommending approval of the amendments, with one commenting that nearby Forest Park and existing grocery stores could be adequate to serve future residents of the Montgomery Park neighborhood and that amendments to the Title 4 Map may have adverse impacts on the supply of industrial lands in the region.

Legal Antecedents:

- The 2040 Growth Concept, adopted by the Metro Council in 1995 by Ordinance No. 95-625A, is the long-range vision for the development of the region's urban form. The 2040 Growth Concept Map is the geographic expression of that vision.
- The 2040 Growth Concept and Map were incorporated into the RFP adopted by the Metro Council in 1997 by Ordinance No. 97-715B. They are the unifying bases for the RFP's various regional policies, including land use policies. RFP policies are implemented by Metro's two functional plans: the UGMFP, which is Metro Code chapter 3.07; and the Regional Transportation Functional Plan (RTFP), which is Metro Code chapter 3.08.
- In 2010, Ordinance No. 10-1246 changed the Title 4 designation of approximately 17 acres of land in the Montgomery Park neighborhood from 'Industrial Area' to the present 'Employment Area'.
- In 2024, Ordinance No. 24-1520 expanded Metro's urban growth boundary (UGB) to include the roughly 1,200-acre Sherwood West urban reserve and to designate more than 270 acres of that territory as Title 4 'Industrial Area'. Ordinance No. 24-1520 is not effective until March 2025, so its UGB expansion and Title 4 designations are not reflected in this staff report's attachments.

Anticipated Effects: Ordinance No. 25-1522 would remove UGMFP Title 4 restrictions from 59 acres of territory, which is equal to approximately 0.1 percent of all Title 4 designated lands in the region and

¹ Of those 59 acres, 42 are currently designated 'Regionally Significant Industrial Area' (RSIA) and the other 17 acres are designed 'Employment Area', as shown in Attachments 1 and 2.

nearly five times smaller than the area that Ordinance No. 24-1520 designated as Title 4 ‘Industrial Area’ in December 2024. Ordinance No. 25-1522 would not itself disallow industrial land uses or any other land use; it would, however, allow the City of Portland to permit certain non-industrial, non-residential uses such as parks, schools, places of assembly, medical/dental offices, and commercial retail uses, without the restrictions otherwise imposed by Title 4.

Having uses such as parks, community centers, medical/dental offices, and retail commercial uses in the Montgomery Park neighborhood, in conjunction with the planned streetcar extension and in close proximity to residential and employment land uses that are permitted by the City’s adopted plan for the area, could help future residents Montgomery Park and existing residents of the wider area to meet their daily needs closer to home and to be less reliant on motor vehicle transportation. Nearby park space, community centers, education and health services, and retail commercial uses could also contribute to a stronger sense of place and encourage denser residential development in an under-developed area already in the UGB, thereby helping to decrease the demand for more costly outward urban sprawl.

Indeed, amending the Title 4 Map as proposed in Ordinance No. 25-1522 would allow the City to permit certain land uses that, together with the streetcar extension, active transportation facilities, mixed employment, and affordable, higher-density residential development planned for in MPAP, could advance the following RFP policies:

- 1.1.1 *Ensure and maintain a compact urban form within the UGB.*
- 1.1.3 *Facilitate infill and re-development [...] to use land and urban services efficiently, to support public transit, to promote successful, walkable communities, and to create equitable and vibrant communities.*
- 1.1.7 *Promote excellence in community design.*
- 1.1.8 *Promote a compact urban form as a key climate action strategy to reduce greenhouse gas emissions.*
- 1.8.1 *Identify and actively address opportunities for and obstacles to the continue development and redevelopment of existing urban land using a combination of regulations and incentives to ensure that the prospect of living, working, and doing business in those locations remains attractive to a wide range of households and employers.*
- 1.10.1 *Support the identity and functioning of communities in the region through:*
 - c. *Ensuring that incentives and regulations guiding the development and redevelopment of the urban area promote a settlement pattern that:*
 - ii. *Makes biking and walking the most convenient, safe, and enjoyable transportation choices for short trips, encourages transit use, and reduces auto dependence and related greenhouse gas emissions.*
 - iii. *Provides access to neighborhood and community parks, trails, schools, walkways, bikeways, and other recreational and cultural areas and public facilities.*

- iv. Reinforces nodal, mixed use, neighborhood-oriented community designs to provide walkable access to a mix of destinations to support meeting daily needs, such as jobs, education, shopping, services, transit and recreation, social, and cultural activities.*
- v. Includes concentrated, high-density, mixed-use urban centers developed in relation to the region's transit system.*
- vi. Is responsive to needs for privacy, community, sense of place, and personal safety in an urban setting.*

Budget Impacts: There will be no significant budget impacts from this measure. Staff will update relevant maps to reflect any adopted amendments to the Title 4 Map.

RECOMMENDED ACTION

Staff recommends adoption of Ordinance No. 25-1522.

ATTACHMENTS

Attachment 1: Current Title 4 Map

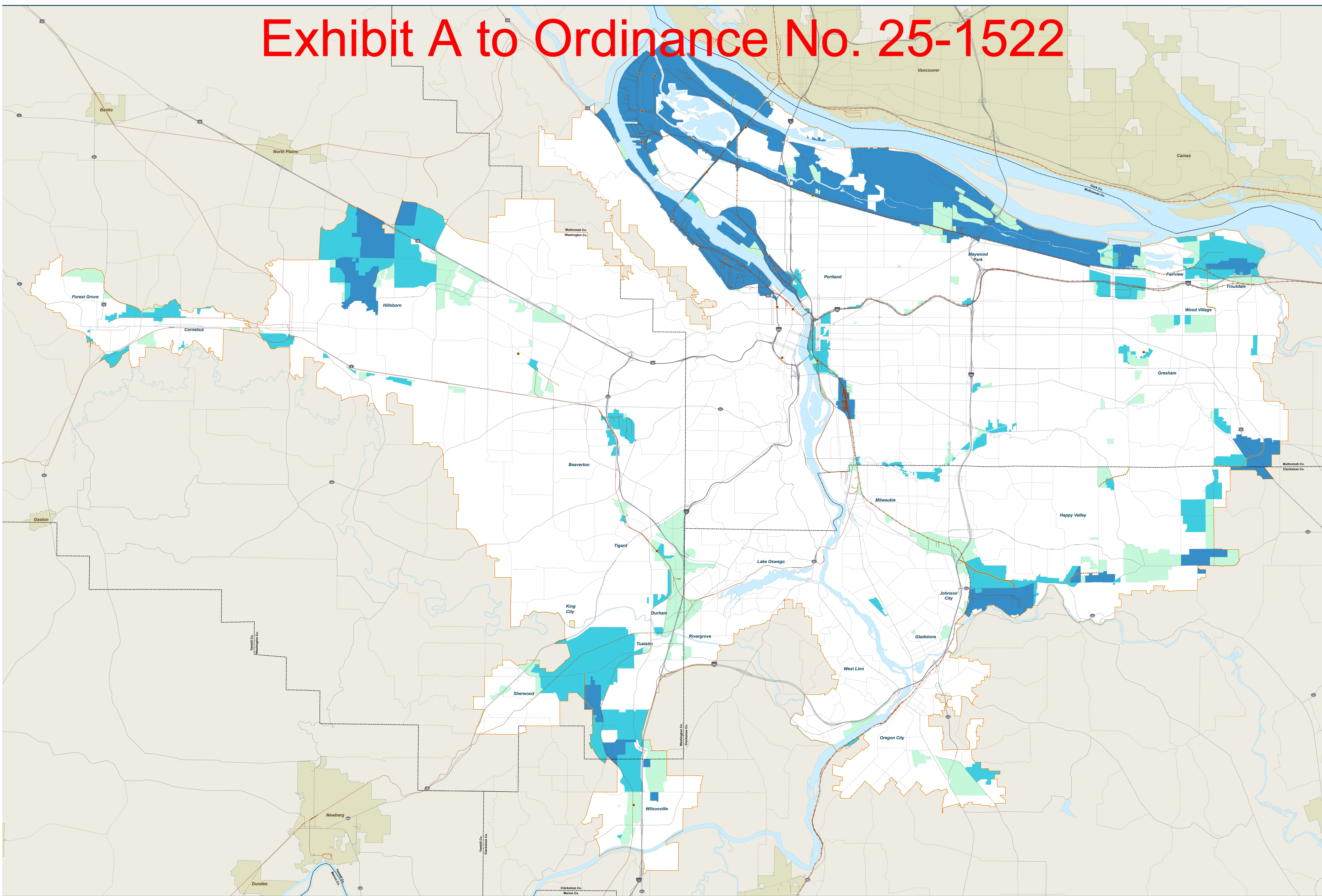
Attachment 2: Aerial close-up of Montgomery Park area with current Title 4 designations

Attachment 3: Title 4 Map as proposed for amendment

Attachment 4: Close-up of Title 4 Map as proposed for amendment

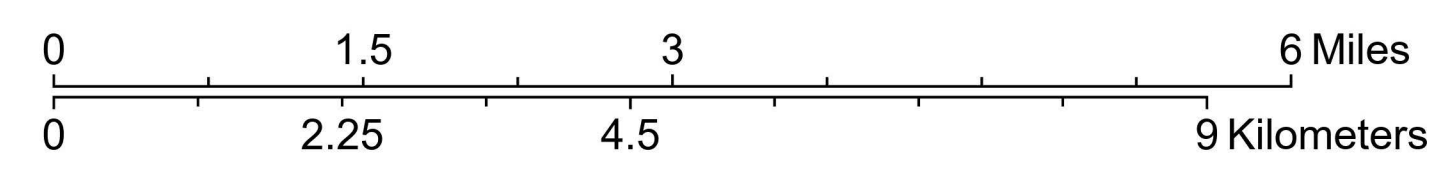
Attachment 5: Aerial image close-up of Title 4 Map as proposed for amendment

Exhibit A to Ordinance No. 25-1522



Title 4 Industrial and other Employment Areas

- Employment area
- Industrial area
- Regionally significant industrial area
- Proposed main roadway route
- - - Proposed road connector
- Mainline freight
- - - Branch line freight
- Rail yard
- County boundary
- Metro urban growth boundary
- Neighbor city



Findings of Fact and Conclusions of Law

Ordinance No. 25-1522 amends the ‘Industrial and Other Employment Areas Map’ (a.k.a., the ‘Employment and Industrial Areas Map’ or the ‘Title 4 Map’) of Title 4, *Industrial and Other Employment Areas*, of Metro’s Urban Growth Management Functional Plan (UGMFP). The map amendments remove approximately 42 acres of Regionally Significant Industrial Area (RSIA) designation and approximately 17 acres Employment Area designation in the Montgomery Park neighborhood of the City of Portland, located between NW Nicolai St and NW Vaughn St. The following findings of fact and conclusions of law explain how the Metro Council’s decision to adopt this ordinance complies with applicable state and regional land use provisions.

A. Statewide Planning Goals

Goal 1 – Citizen Involvement:

The amendments to the Title 4 Map do not modify any element of Metro’s existing public involvement program or reduce opportunities for public input. The amendments were considered at a Metro Technical Advisory Committee (MTAC) meeting on October 16, 2024. They were also considered at a public Metro Policy Advisory Committee (MPAC) meeting on December 11, 2024. Notice of the amendments were submitted to the Department of Land Conservation and Development (DLCD) Post Acknowledgement Plan Amendment (PAPA) system 35 days prior to the January 9, 2025, public hearing on the amendments with the Metro Council.

Goal 2 – Land Use Planning:

The amendments do not themselves change the planned land use designation or zoning for any property, nor do they amend an urban growth boundary (UGB). The findings here in Exhibit B provide a factual basis for the amendments and demonstrate that they are consistent with statewide planning goals and relevant state and regional requirements.

Goal 3 – Agricultural Lands:

The amendments do not reduce the supply of Goal 3 agricultural land. The amendments only concern lands that are already inside Metro’s UGB.

Goal 4 – Forest Lands:

The amendments do not reduce the supply of Goal 4 forest land. The amendments only concern lands that are already inside Metro’s UGB.

Goal 5 – Natural Resources, Scenic and Historic Areas, and Open Spaces:

The amendments do not change any Goal 5 inventory, significance determination, or protection requirement for a natural resource, scenic or historic area, or open space. The amendments themselves do not change the land use plan designation or zoning of any property or amend any UGB.

Goal 6 – Air, Water and Land Resources Quality:

The amendments do not change any air, water, or land resource quality protection plan or requirement.

Goal 7 – Areas Subject to Natural Hazards:

The amendments do not change mapping or risk evaluation of any natural hazard or amend any plan or land use regulation related to protection from a natural hazard.

Goal 8 – Recreational Needs:

The amendments do not change any existing plan for meeting the recreational needs of the region’s residents and visitors; the amendments do, however, remove a Metro restriction on the City of Portland authorizing park uses in the Montgomery Park neighborhood. The amendments concern areas inside Metro’s UGB and not a destination resort on rural lands.

Goal 9 – Economic Development:

The amendments do not themselves change the planned land use designation or zoning for any property, nor do they reduce the supply of sites that may be used for employment (e.g., commercial or industrial) uses. The amendments also do not adopt or amend an economic opportunity analysis. The City of Portland will be

Exhibit B to Ordinance No. 25-1522

responsible for demonstrating Goal 9 compliance as part of any City land use plan, zone change, or land use regulation amendment for the Montgomery Park neighborhood.

Goal 10 – Housing:

The amendments do not change any housing related projection, policy, or standard. The City of Portland will be responsible for demonstrating Goal 10 compliance as part of any City land use plan, zone change, or land use regulation amendment for the Montgomery Park neighborhood.

Goal 11 – Public Facilities and Services:

The amendments only concern lands that are already inside Metro’s UGB. The do not change any public facilities or services plan or any requirement related to water, sewer, or other utility services.

Goal 12 – Transportation:

The amendments do not themselves change a transportation system plan (e.g., Metro’s Regional Transportation Plan) or any transportation system requirements. The City of Portland will be responsible for demonstrating Goal 12 compliance as part of any City transportation system plan, land use plan, zone change, or land use regulation amendment for the Montgomery Park neighborhood.

Goal 13 – Energy Conservation:

The amendments do not themselves change any energy utilization plan or regulation, nor do they change the allocation of land or uses permitted on land identified by Metro as having non-renewable energy sources or change a waste management program.

Goal 14 – Urbanization:

The amendments do not change the location of a UGB, or any policy or regulation related to development of land outside a UGB. The amendments do not concern unincorporated communities or “exception lands”. The amendments only concern lands that are already in Metro’s UGB and only remove certain restrictions on the City of Portland for choosing to plan for and permit certain non-industrial and non-industrial land uses. The City will need to demonstrate that any plan or land use regulation choices they make for the subject area are consistent with applicable statewide planning goals.

Goal 15 – Willamette River Greenway:

The amendments do not change the state’s Greenway Boundary, any Greenway-related inventory, or any land use allowance, development standard, or natural resource protection measure applicable within the Greenway Boundary.

Goal 16 – Estuarine Resources:

The Metro region does not have an estuary subject to Goal 16.

Goal 17 – Coastal Shorelands:

The Metro region does not have coastal shorelands subject to Goal 17.

Goal 18 – Beaches and Dunes:

The Metro region does not have beaches or dunes subject to Goal 18.

Goal 19 – Ocean Resources:

The Metro region does not have ocean resources subject to Goal 19.

B. Metro Code

2.19.080 – Metro Policy Advisory Committee (MPAC)

- (a) *Purpose. The purpose of MPAC is to advise the Metro Council and perform the duties assigned to it by the Metro Charter and to perform other duties that the Metro Council shall prescribe.*

Exhibit B to Ordinance No. 25-1522

At its December 11, 2024, meeting, MPAC considered and voted to recommend approval by the Metro Council of the Title 4 Map amendment in Exhibit A.

(c) MPAC may provide in its bylaws for the creation of a Technical Advisory Committee, which may make recommendations to MPAC.

MTAC considered the Title 4 Map amendments at its meeting on October 16, 2024, before recommending the amendment to MPAC.

3.07.450 – Employment and Industrial Areas Map

(g) The Metro Council may amend the Employment and Industrial Areas Map by ordinance at any time to make corrections in order to better achieve the policies of the Regional Framework Plan.

As noted above, the ‘Employment and Industrial Areas Map’ is also known as the ‘Industrial and Other Employment Areas Map’ and as the ‘Title 4 Map’. Ordinance No. 25-1522 of the Metro Council amends the Title 4 Map pursuant to Subsection 3.07.450(g).

The amendments allow the City of Portland to permit certain non-industrial, non-residential uses such as parks, schools, places of assembly, medical/dental offices, and commercial retail uses, without the restrictions otherwise imposed by Title 4. Having uses such as parks, community centers, medical/dental offices, and retail commercial uses in the Montgomery Park neighborhood, in conjunction with the City’s planned streetcar extension and in close proximity to residential and employment land uses that are permitted by the City’s adopted ‘Montgomery Park Area Plan’ (MPAP), could help future residents Montgomery Park and existing residents of the wider area to meet their daily needs closer to home and to be less reliant on motor vehicle transportation. Nearby park space, community centers, education and health services, and retail commercial uses could also contribute to a stronger sense of place and encourage denser residential development in an under-developed area already in the UGB, thereby helping to decrease the demand for more costly outward urban sprawl.

Indeed, amending the Title 4 Map as shown in Exhibit A will allow the City to permit certain land uses that, together with the streetcar extension, active transportation facilities, mixed employment, and affordable, higher-density residential development planned for in MPAP, will better achieve the following Regional Framework Plan policies:

1.1.1 Ensure and maintain a compact urban form within the UGB.

1.1.3 Facilitate infill and re-development [...] to use land and urban services efficiently, to support public transit, to promote successful, walkable communities, and to create equitable and vibrant communities.

1.1.7 Promote excellence in community design.

1.1.8 Promote a compact urban form as a key climate action strategy to reduce greenhouse gas emissions.

1.8.1 Identify and actively address opportunities for and obstacles to the continue development and redevelopment of existing urban land using a combination of regulations and incentives to ensure that the prospect of living, working, and doing business in those locations remains attractive to a wide range of households and employers.

1.10.1 Support the identity and functioning of communities in the region through:

c. Ensuring that incentives and regulations guiding the development and redevelopment of the urban area promote a settlement pattern that:

Exhibit B to Ordinance No. 25-1522

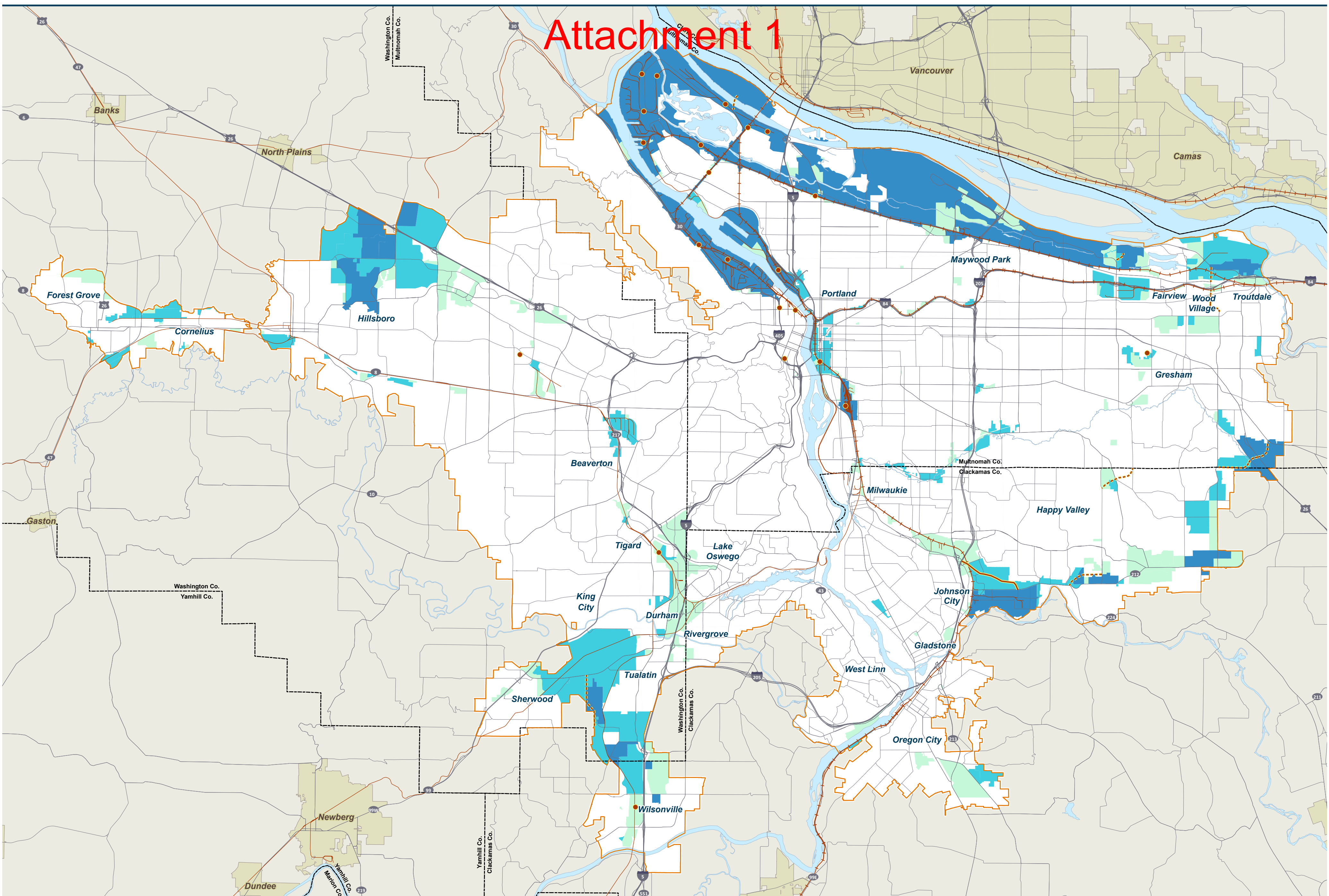
- ii. Makes biking and walking the most convenient, safe, and enjoyable transportation choices for short trips, encourages transit use, and reduces auto dependence and related greenhouse gas emissions.*
- iii. Provides access to neighborhood and community parks, trails, schools, walkways, bikeways, and other recreational and cultural areas and public facilities.*
- iv. Reinforces nodal, mixed use, neighborhood-oriented community designs to provide walkable access to a mix of destinations to support meeting daily needs, such as jobs, education, shopping, services, transit and recreation, social, and cultural activities.*
- v. Includes concentrated, high-density, mixed-use urban centers developed in relation to the region's transit system.*
- vi. Is responsive to needs for privacy, community, sense of place, and personal safety in an urban setting.*

3.07.810 – Compliance with the Functional Plan

- (b) Cities and counties shall amend their comprehensive plans and land use regulations to comply with the functional plan, or an amendment to the functional plan, within two years after acknowledgement of the functional plan or amendment, or after any later date specified by the Metro Council in the ordinance adopting or amending the functional plan. The COO shall notify cities and counties of the acknowledgment date and compliance dates described in subsections (c) and (d).*

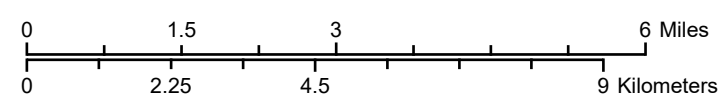
The amendments to the Title 4 Map do not require a city or county to amend their comprehensive plan or land use regulations.

Attachment 1



Title 4 Industrial and other Employment Areas

September 2023



- Employment area
- Industrial area
- Regionally significant industrial area
- Proposed main roadway route
- Proposed road connector
- Mainline freight
- Branch line freight
- Rail yard
- County boundary
- Metro urban growth boundary
- Neighbor city

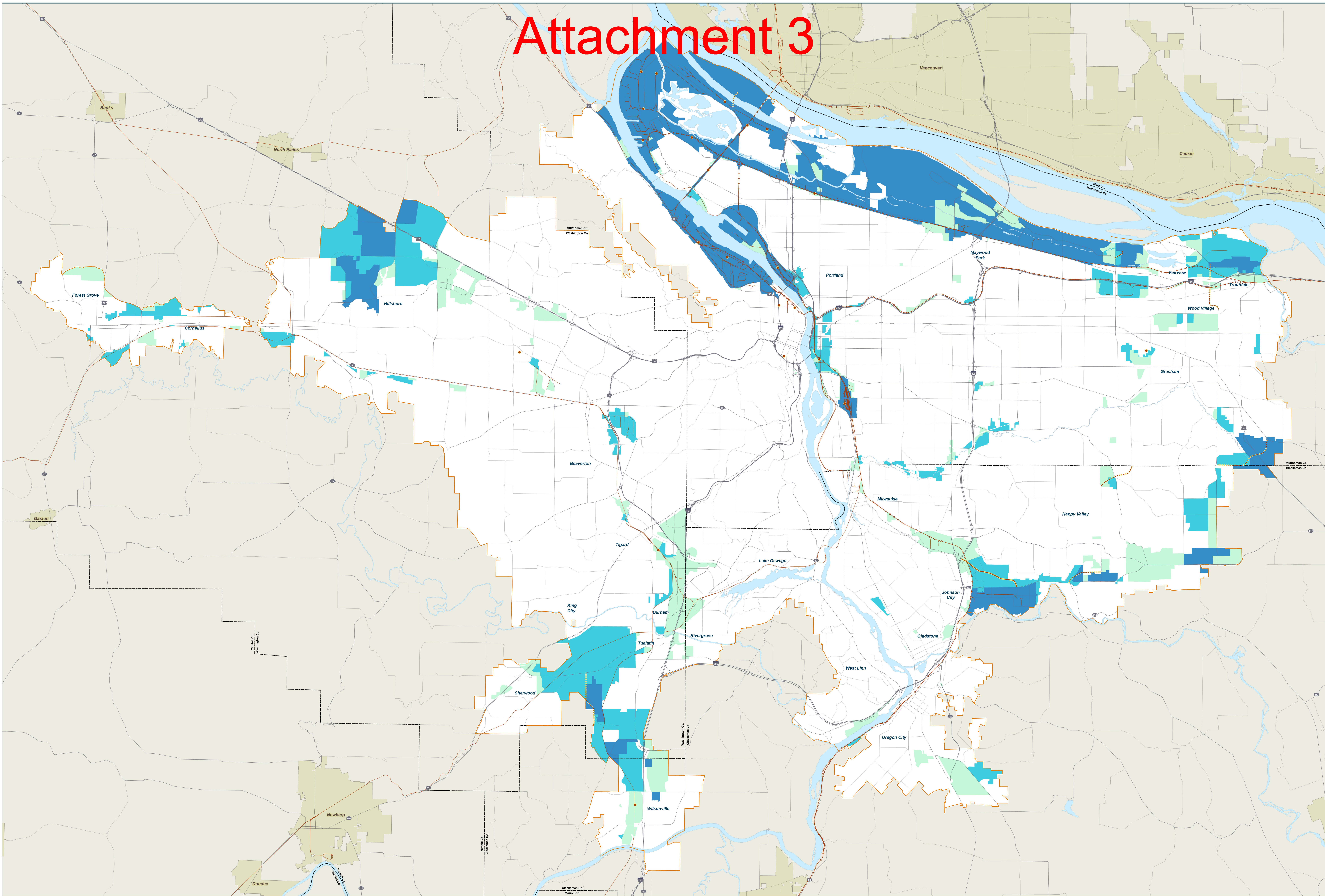


Attachment 2

Close-up of Montgomery Park area, with existing Title 4 designations

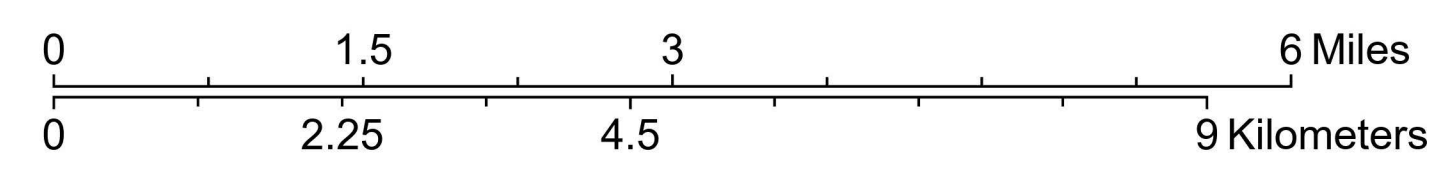


Attachment 3

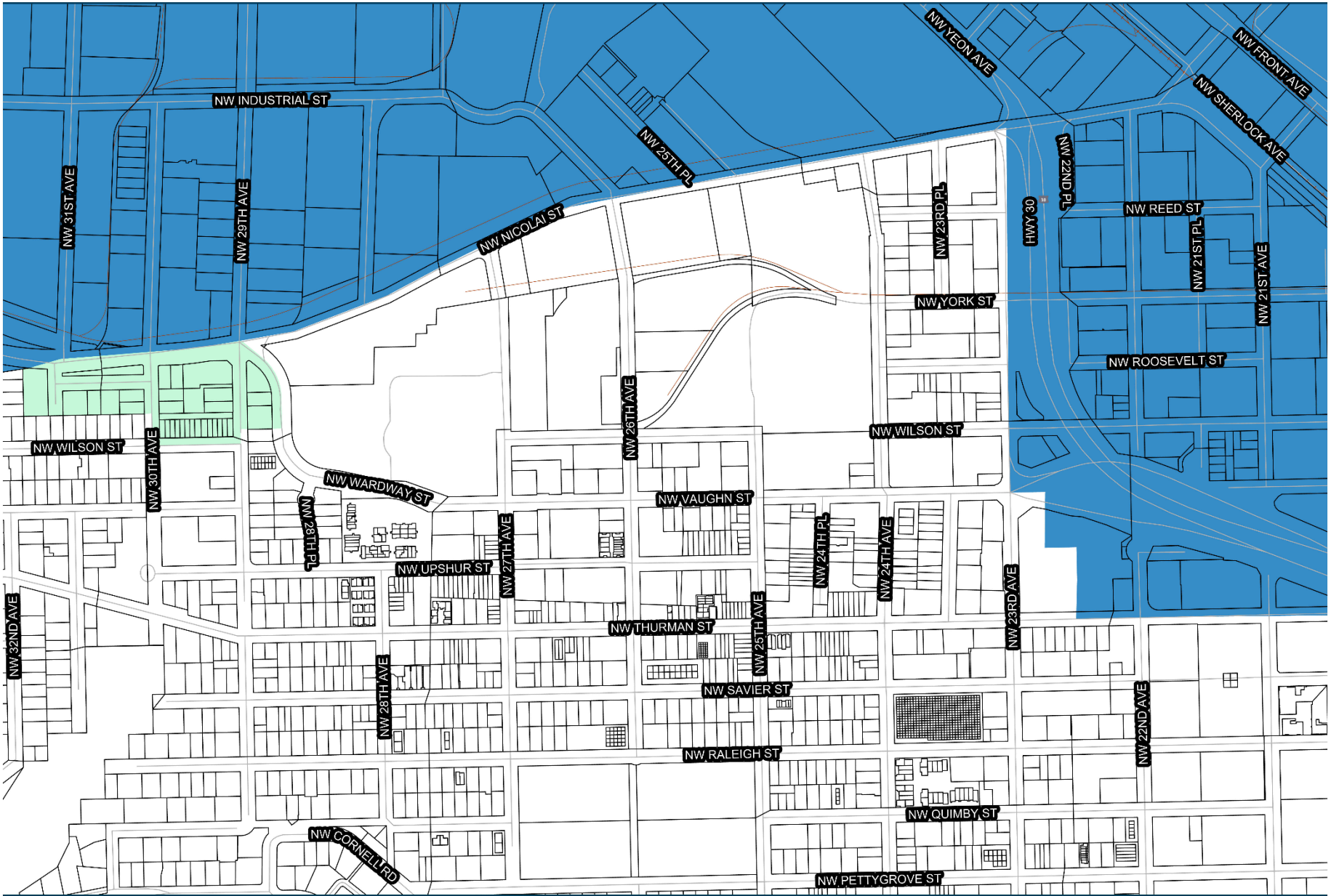


Title 4 Industrial and other Employment Areas

- Employment area
- Industrial area
- Regionally significant industrial area
- Proposed main roadway route
- - - Proposed road connector
- Mainline freight
- Branch line freight
- Rail yard
- County boundary
- Metro urban growth boundary
- Neighbor city



Attachment 4



Title 4 Industrial and other Employment Areas









- Employment area
- Industrial area
- Regionally significant industrial area
- Proposed main roadway route
- - - Proposed road connector
- Mainline freight
- Branch line freight
- Rail yard
- County boundary
- Metro urban growth boundary
- Neighbor city

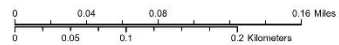


Attachment 5



Title 4 Industrial and other Employment Areas

-  Employment area
-  Industrial area
-  Regionally significant industrial area
-  Proposed main roadway route
-  Proposed road connector
-  Mainline freight
-  Branch line freight
-  Rail yard
-  County boundary
-  Metro urban growth boundary
-  Neighbor city



**4.1 Integrated and Expanded Regional SHS/Affordable
Housing Program: Proposed Policy Package**
Work Session

Metro Council Meeting
Thursday, January 16, 2025

INTEGRATED AND EXPANDED REGIONAL SHS/AFFORDABLE HOUSING PROGRAM:
PROPOSED POLICY PACKAGE

Date: Jan. 2, 2025
Department: Metro Council President
Work Session Date: Jan. 16, 2025

Presenters: Metro Council President Lynn Peterson (she/her); Shane Abma, Senior Attorney (he/him)

Prepared by: Craig Beebe,
craig.beebe@oregonmetro.gov

Length: 90 minutes

ISSUE STATEMENT

Through the adoption of Resolution No. 24-5436 and in subsequent work sessions since that time, the Metro Council provided formal direction to prepare a series of policy options to advance its goals for integrated and expanded regional funding for supportive housing services and affordable housing. In this work session, the Council will discuss language for proposed legislative action to advance its direction.

ACTION REQUESTED

Provide direction on proposed legislative package for public hearing and Council consideration in January, including content for potential referral of a measure to the region's voters.

IDENTIFIED POLICY OUTCOMES

In line with Council direction and stakeholder/community input throughout the last year, the proposed ordinance recognizes three primary facts:

- The region needs to continue funding in services and affordable housing to address homelessness for decades to come. However, regional funding for both will end within a few years, as the supportive housing services (SHS) taxes expire and Metro's affordable housing bond is fully spent out.
- There is no viable path to extending regional funding for services and affordable housing without making changes to how SHS taxes are used and overseen, so that they can invest in a full range of solutions to homelessness and so that demonstrate greater accountability and improved oversight.
- There is an extraordinary opportunity to bring together a wide coalition of providers, business leaders and community leaders to advocate for an extension and expansion of SHS for twenty additional years, safeguarding the progress that has been made and ensuring that thousands more families can be helped to find and keep stable housing.

The proposed legislative package will include several primary elements:

- Expanding SHS taxes' allowable uses to include affordable housing, which is critical when paired with services and rent assistance to helping people and families escape or avoid the traumas of homelessness.
- Extending SHS taxes for 20 additional years to fund both affordable housing and services, with potential changes to the personal income tax rate and threshold to reduce tax burdens over the proposed longer life of the tax
- Improving oversight and governance structures, including the formation of a single Housing and Homelessness Policy Advisory Committee, staffed by Metro, that will develop a regional action plan and key performance indicators, review local implementation plans, and coordinate regional spending within the broader context of housing needs, policies and solutions, and funding in the region.
- Considering a timeline and next steps for transitioning to the expanded and updated program structure over several years

The ordinance advances Metro Council's principles for an integrated and expanded regional supportive housing and affordable housing program, which were established in Council's adoption of Resolution No. 24-5436 on October 17, 2024.

These principles include:

- a. That the program be founded on a truly regional plan that builds toward regional outcomes – including ensuring homelessness is rare, brief and nonrecurring, and that affordable housing need continues to be met, with a focus on families and individuals experiencing chronic homelessness or who are at greatest risk of experiencing homelessness.
- b. That the program include flexibility and predictability to address a full range of supportive housing services and affordable housing needs, for the long term.
- c. That the program connect to and leverage the full regional context of systems, funding, partnerships and solutions working to address homelessness and affordable housing need.
- d. That the program consider homelessness and affordable housing need in broader regional context, including but not limited to regional livability, racial equity, economic development, the environment and climate resilient communities.
- e. That the program ensure accountability in oversight, transparency in investments, and effective communication with the public.
- f. That the program support a culture of learning from what works as well as where there are challenges that need to be addressed.
- g. That the program be responsive and explicit about how the people of the region can expect to be served, wherever and however they experience the homelessness and affordable housing crisis – for example, a person experiencing homelessness or housing instability, a concerned community member, a housing or service provider, a business owner, or a visitor to the region.

- h. That the program solicits and incorporates technical and practical input from a broad variety of stakeholders that manage and/or are impacted by homelessness and affordable housing needs, to include but not be limited to service providers, financial and business interests, people with relevant lived experience, and community and neighborhood leaders throughout the region.

POLICY QUESTIONS

- Does the proposed legislative package, including the potential measure ordinance for referral to voters, reflect Council's direction and reflect input from partners, providers and community leaders on advancing stable, accountable funding for services and affordable housing?
- Does Council wish to provide additional direction to guide future work planning and transitioning to a new structure over time?

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Through efforts with a wide array of jurisdictions, providers and community partners, the voter-approved 2018 Metro Affordable Housing Bond and 2020 Supportive Housing Services measure have helped thousands of struggling families and individuals across the greater Portland region find stable, affordable housing and get the supports they need to prevent or escape homelessness.

Yet there is more to do, with housing costs continuing to outpace what people earn and the impacts of homelessness felt in every corner of greater Portland. The crisis persists just as Metro's successful affordable housing bond is winding down its investments, leaving the region with a looming cliff for affordable housing funding. Meanwhile, Supportive Housing Services funding is nearing its halfway point to expiration, with no long-term funding source identified for these critical services and rent assistance. And there is no path to extending either of these funding sources without addressing public and partner concerns about governance and oversight.

On Oct. 17, following extensive stakeholder and partner engagement dating back to January, the Metro Council provided direction on a policy package to secure impactful, stable regional supportive housing services and affordable housing funding into the future. The Council unanimously adopted Resolution No. 24-5436, directing staff to prepare a series of policy proposals for direction by the end of 2024.

The Metro Council has been clear that the immediate focus remains on addressing homelessness – through stable funding, applying a full range of tools and investments, and working with an array of partners to demonstrate impact and accountability.

Throughout this process, Metro Council and staff have heard clear agreement among a wide variety of partners, leaders and community members that an extension of the SHS taxes and expansion of uses to include affordable housing must also include meaningful

changes to regional oversight and governance that can be more strategic, accountable and flexible to changing needs over time.

The proposed legislative package to be discussed at this work session contains elements advanced by a coalition of providers, business and community leaders with direct experience of the current SHS oversight structure, as well as community needs and impacts regarding homelessness and affordable housing across the region. Some of these elements would go into a potential measure ordinance, while others may be established by Council via contemporaneous and/or future action contingent upon a measure's passage.

The Council's direction at this work session follows a discussion of allocation on Nov. 26 and governance on Dec. 5, 2024.

Any extension of the SHS sunset or expansion of its uses must be approved by the region's voters. Other elements of proposed changes to governance, accountability and allocation may or may not be included in a ballot measure. However, public opinion research and stakeholder input demonstrates clearly that updates to oversight and accountability are likely necessary to build coalition and voter support for a potential measure.

POLICY OPTIONS TO CONSIDER

The Metro Council has several options for advancing its priorities. These include but are not limited to the following.

At this work session:

- Approve proposed legislation structures and elements of a potential measure for referral.
- Propose potential changes and decide whether they should be included for consideration by Council as part of near-term or later action.
- Provide additional guidance to staff to ensure the legislative package meets Council direction and expectations.

On January 23, 2025 (tentative):

- Hold a public hearing and conduct a first reading of draft ordinances, including a potential measure.
- Discuss and vote on amendments proposed by Metro Councilors.

On January 30, 2025 (tentative)

- Conduct a second reading of proposed ordinances, including any amendments adopted by Council votes on January 23.
- Consider adoption of ordinances and resolution to refer a ballot measure to Metro voters in the May 2025 election.

On February 6, 2025 (tentative)

- Conduct a third reading and vote, if necessary.

BACKGROUND

On July 9, 2024, Metro COO Madrigal released recommendations (“COO Recommendation”) to the Metro Council, to address several significant challenges and needs in how the region addresses housing affordability and homelessness. These included, but were not limited to, a looming gap in regional affordable housing funding, the 2030 sunset of the Supportive Housing Services (SHS) taxes, and widespread input that the region must improve how it strategizes, funds, implements, tracks and oversees housing and SHS investments. The COO Recommendation followed six months of engagement with the stakeholder advisory table, jurisdictional partners, housing and service providers, and community members.

Since the release of the COO Recommendation and subsequent Metro Council work sessions, Council President Peterson has engaged in repeated conversations with county and city leadership, as well as key advocates in regional housing/homelessness, service providers and business leaders. These conversations have explored potential areas of agreement, as well as understanding concerns and needs for the future.

The COO Recommendation included a range of broad and specific actions to continue sustainable funding for affordable housing and supportive housing services, and to improve accountability and impact of these investments to continue addressing the homelessness and housing crisis in the greater Portland region.

The Metro Council discussed the COO Recommendation, ongoing stakeholder engagement and Councilor priorities at work sessions and meetings on July 9, July 25, August 1, September 24 and October 3. The Council unanimously adopted Resolution No. 24-5436 on October 17, beginning a final phase of policy development and engagement before potential action this winter.

The policy directions sought by the Metro Council via adoption of Resolution No. 24-5436 include the following.

- a) Expanding allowable uses of supportive housing services personal and business income taxes to include affordable housing and permanent supportive housing units, with expectations for how these funds will be used by counties and other partners, as well as continuing investments in supportive housing services.
- b) Extending the expiration of supportive housing services taxes beyond 2030, long enough to ensure predictable funding for supportive housing services to meet continued need, and to support ongoing investments to address the region’s affordable housing shortfall.
- c) Creating a program by which the region’s cities will receive funding for investments in supportive housing services and/or affordable housing, expanding allowable uses as necessary with a focus on those experiencing or at most risk of chronic homelessness.

- d) The establishment of a new regional housing and homelessness oversight structure that improves coordination and collaboration in investments to address homelessness and affordable housing needs across the region.
- e) Enacting a SHS personal income tax rate decrease that ensures adequate resources for services and affordable housing, while building support for the broader integration and extension of these investments. This tax rate decrease may be phased.
- f) A conservative funding allocation approach to budgeting revenues generated through SHS personal and business income taxes, with the intent to reduce the impacts of revenue volatility on programs and create predictability for implementing partners, while providing resources to meaningfully address the looming regional funding cliff for affordable housing, and to fund investments by cities described in Action (c) above.
- g) A transparent process for ensuring that regional outcomes are advanced, that successes are acknowledged, and that timely improvements are made when progress is insufficient.

The resolution also established Council's desire to create a broadly-supported ballot measure to advance aspects of the above policy changes, and to continue working with a wide range of partners to address the causes and impacts of homelessness and insufficient housing supply. Public opinion research has gauged public priorities for a potential measure, finding support among likely May 2025 voters for an extension and expansion of SHS funding to include affordable housing, contingent upon improvements to regional governance and accountability.

Council further articulated goals for allocation and governance at work sessions on Nov. 26 and Dec. 5, and since that time has continued conversations with county and city elected officials, and leaders from housing and service providers, community-based organizations and business coalitions.

ATTACHMENTS:

- Resolution No. 24-5436 as adopted
- Draft Ordinance No. 25-1525
- Draft Recitals/Findings for Ordinance No. 25-1525
- Draft Ordinance No. 25-1526

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ESTABLISHING THE)	RESOLUTION NO. 24-5436
METRO COUNCIL’S PRIORITIES FOR AN)	
INTEGRATED AND EXPANDED REGIONAL)	Introduced by Metro Council President
SUPPORTIVE HOUSING SERVICES AND		Peterson
AFFORDABLE HOUSING PROGRAM		

WHEREAS, rising costs, insufficient housing supply and stagnant wages have contributed to a persistent and pervasive housing and homelessness crisis in the Metro region; and

WHEREAS, in November 2018 Metro District voters approved Measure 26-199, also known as the Metro Affordable Housing Bond, establishing affordable housing as a matter of metropolitan concern and approving \$652.8 million in general obligation bonds to create affordable housing across Clackamas, Multnomah and Washington counties; and

WHEREAS, in May 2020 Metro District voters approved Measure 26-210, establishing homeless and housing services as a matter of metropolitan concern, and creating the regional Supportive Housing Services program (“SHS”) to fund supportive services, housing placements, temporary housing, rent assistance and other services to help households avoid and exit homelessness across Clackamas, Multnomah and Washington counties; and

WHEREAS, through the hard work of multiple jurisdictional partners, community organizations and housing providers, the Metro Affordable Housing bond is on track to create more than 4,600 affordable housing units providing homes for between 9,000 and 15,000 people and exceeding its production goals by approximately 20 percent; and

WHEREAS, despite this notable progress, the State of Oregon, Metro and an array of community members and stakeholders have recognized that the greater Portland region is still well short of needed affordable housing and permanent supportive housing units to meet current and future need; and

WHEREAS, the Metro Affordable Housing Bond will soon be fully allocated, leaving the region facing a looming cliff in funding to create affordable housing to continue meeting this need; and

WHEREAS, Measure 26-210 established new regional high-earner personal income and business income taxes, making available unprecedented revenue for supportive housing services in the region, including in counties and communities that historically had had very little local resources to address homelessness; and

WHEREAS, unless an extension is approved by voters, Measure 26-210 stipulated that these taxes will end in 2030, which would remove this resource for investments in supportive housing services; and

WHEREAS, through the hard work of Metro’s county implementation partners and service providers around the region, the regional SHS program has in its first three years of implementation helped thousands of households avoid or escape homelessness, including funding more than 6,200 housing placements, more than 15,000 eviction preventions through regional rent assistance, and the creation or sustaining of more than 1,800 temporary shelter units; and

WHEREAS, despite these initial successes, the launch of the regional SHS program occurred during a time of profound trials and upheaval in the region and nation, including the impacts of the global COVID-19 pandemic on economic opportunity, public health, addiction and public safety, which together exacerbated longstanding racial and economic inequality and lack of opportunity in the region; and

WHEREAS, these factors contributed to a tripling of unsheltered homelessness in the Portland region between 2020 and 2023 according to the annual Point-in-Time count, deepening public concern and further complicating and compounding challenges in investments to address this need; and

WHEREAS, Measure 26-210 required the regional SHS program include regional oversight and coordination, and also stipulated that the program is subject to performance and finance reviews, to ensure that local implementation plans and spending by the region's three counties meaningfully address challenges at a regional scale; and

WHEREAS, owing to a variety of factors, the high-earner personal and business income taxes that fund the regional SHS program have collected revenue in their initial years of collection beyond what was anticipated when Measure 26-210 was approved by voters, creating the potential to apply some of these funds to address urgent affordable housing needs as the Metro Affordable Housing bond funds are spent down; and

WHEREAS, addressing homelessness requires funding for dedicated supportive services, rental assistance, and ample affordable housing for people experiencing or at risk of homelessness; and

WHEREAS, the Metro Council, implementation partners, stakeholders and the public have identified a number of challenges, limitations and needed improvements for oversight, implementation and accountability during the implementation of the regional SHS program and Metro Affordable Housing Bond; and

WHEREAS, particularly with regard to the regional SHS program these concerns are discussed in a Metro Auditor report in 2024 that identified multiple, conflicting layers of oversight, implementation and accountability, as well as "uneven preparedness to use funding among the three counties", and "definitions, reports, and calculations that made it difficult to understand how the program has progressed"; and the Auditor recommended "stronger oversight... to ensure counties are making progress"; and

WHEREAS, the Metro Council takes seriously its duty to provide accountability and to be good stewards of taxes it collects at the direction of voters to address community priorities; and

WHEREAS, in January 2024 the Metro Council directed the Metro Chief Operating Officer to begin a multipronged process of stakeholder and community input to develop recommendations for the future of regional affordable housing and homeless services funding, particularly in light of the looming financial cliff for regional affordable housing funding; and

WHEREAS, during this process the Metro Chief Operating Officer heard widespread agreement among stakeholders, partners and the public that resources for affordable housing and supportive housing services will be needed well into the future, particularly for people with very low incomes and those at greatest risk of homelessness; and

WHEREAS, during this process the Metro Chief Operating Officer also heard widespread calls for improving accountability, regional alignment and stronger corrective mechanisms in the region's oversight and delivery of supportive housing services and affordable housing investments; and

WHEREAS, the Metro Council received the Chief Operating Officer Recommendation for the Future of Regional Housing Funding ("COO Recommendation") on July 9, 2024, attached hereto as Exhibit A; and

WHEREAS, the Metro Council accepts the spirit and intentions of the COO Recommendation, recognizes the time and commitment of many individuals, community organizations and jurisdictional partners in the process that informed it, and shares many of the concerns and hopes described therein; and

WHEREAS, the Metro Council has continued engagement with county leadership and key stakeholders since receiving the COO Recommendation, and has heard continuing calls for reforms to make regional affordable housing and services funding and investments more accountable, effective and sustainable; and

WHEREAS, homelessness and affordable housing need are inherently regional, intertwined issues whose causes, impacts and experiences are not contained within city and county boundaries, are best addressed through a truly regional and integrated program; and

WHEREAS, an integrated regional program to address homelessness and affordable housing need is best equipped to apply system-level thinking for proactive approaches that are more effective and less costly in the long run; and

WHEREAS, an integrated regional program to address homelessness and affordable housing need is best equipped to bring together multiple government, business, community, advocacy and philanthropic partners to collaborate on solutions, level the playing field between needs and jurisdictions, and provide accountability and transparency in a learning environment; and

WHEREAS, an integrated regional program is best equipped create and sustain adequate funding for homelessness and affordable housing investments with lasting impacts on intergenerational well-being; and

WHEREAS, the Metro Council has discussed its priorities for developing an integrated and expanded regional supportive housing services and affordable housing investment program in the context of stakeholder, public and partner input reflected in the COO Recommendation and in the months since its release; and

WHEREAS, the Metro Council is committed to meeting its State mandate to assess regional housing need and to coordinate and support the work of the region's cities and counties in fulfilling state-mandated housing production targets; and

WHEREAS, in seeking long-term funding for an integrated regional supportive housing services and affordable housing program, the Metro Council wishes to strike an appropriate balance between the longevity and rate of regional taxpayers' contributions to addressing these needs, and the necessity of securing greater contributions from State and Federal partners;

WHEREAS, the greater Portland region must work together across jurisdictional boundaries, and as governments and non-governmental organizations, to advocate for greater State and Federal funding to address a full range of housing and services needs; and

WHEREAS, the Metro Council fundamentally recognizes that fulfilling the region's duties and commitments to address homelessness and affordable housing need will require a transition to a more fully integrated regional supportive housing services and affordable housing investment program that is built to address need well into the future; and

WHEREAS, the Metro Council wishes to build on the collaborative successes of Metro Affordable Housing Bond and Supportive Housing Services programs and the many individuals and organizations working to advance investments from these programs, while also addressing challenges and lessons learned in their implementation, and

WHEREAS, the Metro Council seeks to act with responsiveness, accountability and collaboration to ensure that homelessness in the greater Portland region is as rare, brief and nonrecurring as possible, and that the region continues to create affordable housing to meet communities' needs well into the future; now therefore,

BE IT RESOLVED:

1. The Metro Council establishes the following principles for an integrated and expanded regional supportive housing services and affordable housing program.
 - a. That the program be founded on a truly regional plan that builds toward regional outcomes – including ensuring homelessness is rare, brief and nonrecurring, and that affordable housing need continues to be met, with a clear commitment to prioritize the populations described as Populations A and B in the current Supportive Housing Services program, including families and individuals experiencing chronic homelessness or who are at greatest risk of experiencing homelessness.
 - b. That the program include flexibility and predictability to address a full range of supportive housing services and affordable housing needs, for the long term.
 - c. That the program connect to and leverage the full regional context of systems, funding, partnerships and solutions working to address homelessness and affordable housing need.
 - d. That the program consider homelessness and affordable housing need in broader regional context, including but not limited to regional livability, racial equity, economic development, the environment and climate resilient communities.
 - e. That the program ensure accountability in oversight, transparency in investments, and effective communication with the public.
 - f. That the program support a culture of continuous learning and is responsive to challenges that need to be addressed.

- d. The Regional Housing and Homelessness Action Plan must reflect the following characteristics:
 - i. coordination and incorporation of the full regional context of inputs to and impacts of homelessness and affordable housing need, as well as available funding and programs already at work in the region;
 - ii. incorporation of regionalization efforts and successes to date in the current regional SHS program and Metro Affordable Housing Bond;
 - iii. identification, prioritization and alignment of supportive housing services and affordable housing investment strategies, within a focused time period, to serve communities with the deepest housing needs; and
 - iv. updates on a regular cycle, to adapt to changing needs and successes over the full life of the program; and
 - v. other characteristics and requirements as directed by the Metro Council or recommended by the Housing and Homelessness Policy Advisory Committee.
- e. To inform and support its work and recommendations, the Housing and Homelessness Policy Advisory Committee will:
 - i. be advised by a technical advisory committee of people with knowledge and experience in the many facets of regional homelessness and housing need;
 - ii. incorporate meaningful processes and/or structures for input from housing service providers and people with lived experience of homelessness;
 - iii. be advised, through its technical advisory committee, by a transitional subcommittee of current non-elected members of the Supportive Housing Services Tri-County Planning Body, for up to two years, to aid in the transition of existing regionalization efforts to the new structure;
 - iv. be supported in committee work, technical analysis and policy development by Metro staff; and
 - v. be supplemented by regular independent financial reviews.
- f. The role of the current Supportive Housing Services Oversight Committee and Tri-County Planning Body will be transitioned to the Housing and Homelessness Policy Advisory Committee. Staff will provide recommendations for this transition as well as recommended next steps for the current Metro Affordable Housing Bond Oversight Committee.
- g. This oversight and governance structure will be composed in a way that creates flexibility for the Metro Council and the Housing and Homelessness Policy Advisory Committee to adapt to changing conditions, needs and lessons learned over the life of the program.

4. The Metro Council recognizes that some elements of an expanded and integrated regional supportive housing services and affordable housing program, as described above, may need approval by the region's voters. As part of the proposals described above, the Metro Council directs staff recommend the composition and timing of a potential ballot measure that is likely to attain the support of a majority of the region's voters and that will advance community and stakeholder desires.

5. The Metro Council directs staff to continue working with federal, state, tribal, local, and nongovernmental partners to identify resources and advance strategies that address the broader regional challenge of insufficient housing supply at all levels of affordability, and the social and economic conditions that contribute to homelessness in the greater Portland region.

ADOPTED by the Metro Council this 17th day of October, 2024.



Lynn Peterson, Council President

Approved as to Form:



Carrie MacLaren, Metro Attorney

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NOT AN OFFICIAL ORDINANCE SUBMISSION

BEFORE THE METRO COUNCIL

WORKING TITLE:)	ORDINANCE NO. 25-1525
FOR THE PURPOSE OF REAUTHORIZING THE)	
PERSONAL INCOME TAX AND BUSINESS)	Introduced by the Metro Council
PROFITS TAX FOR SUPPORTIVE HOUSING)	
SERVICES, ADDING AFFORDABLE HOUSING)	
AS AN ALLOWED USE OF INCOME TAX)	
REVENUE, MAKING RELATED REFORMS TO)	
OVERSIGHT AND ACCOUNTABILITY; AND)	
DIRECTING REFERRAL TO VOTERS FOR)	
APPROVAL)	

[Recitals are in a separate document for Council review but will be added to this ordinance upon Council approval of those recitals.]

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The Metro Council adopts and incorporates the factual and legal findings as described above.
2. The Metro Council adopts the following Sections for its “Supportive Housing Services and Affordable Housing Reform Measure”:

Section 1: Short Title.

This ordinance will be known as the “Supportive Housing Services and Affordable Housing Reform Measure” (the Reform Measure).

Section 2: Purpose and Findings.

1. On May 19, 2020, Metro-area voters approved the Metro Supportive Housing Services Measure (Metro Measure 26-210), later codified by Metro Council in Ordinance No. 20-1452. Measure 26-210 authorized a 1% income tax on specified income to fund supportive housing services in the Metro region (the “Metro SHS Income Tax”). The Metro Council finds that it should reform several aspects of Metro Measure 26-210. The purpose of this Reform Measure is to increase the effectiveness and accountability of Metro’s SHS program by authorizing affordable housing as an approved use of funds, increasing program oversight, simplifying governance, and extending the Supportive Housing Services income tax term.
2. The Metro Council finds that reforming Measure 26-210 (as later codified by Ordinance No. 20-1452) is a legitimate public purpose and necessary to protect the vital interests of those that are experiencing homelessness or likely to become homeless, as well as those experiencing housing instability or needing affordable housing. Consequently, it is appropriate and necessary for the Metro Council to act legislatively to: (1) reform certain aspects of Measure 26-210 and Metro’s Supportive Housing Services Program, (2) seek voter approval, and (3) further act legislatively with respect to any Measure 26-210 related work plan, charter, or other document that conflicts with this Measure’s intent and its legitimate public purpose.

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Section 3: Allowable Uses of Metro Income Tax Revenue.

1. Upon voter approval of this Reform Measure, income derived from the Metro SHS Income Taxes is authorized to fund affordable housing as an allowable use, in addition to use for Supportive Housing Services as defined in Metro Code Chapter 11.01. Metro may use this tax income to fund affordable housing regardless of which specific tax year Metro collected the tax income.
2. For purposes of this Reform Measure, what constitutes funding “affordable housing” should be considered in its broadest sense and includes: constructing or developing housing units, purchasing developed real property to be used for affordable housing units, purchasing or rehabilitating existing housing to preserve its affordability and prevent displacement, acquiring land for the immediate or future construction of new affordable housing, and any other activity that helps provide affordable housing as the Metro Council may authorize.
3. When determining whether a particular expenditure is an allowable use of Metro SHS Income Tax revenue, the provisions of this Reform Measure and Metro Measure 26-210 will be liberally construed to authorize any use that is reasonably related to providing supportive housing services and affordable housing (which includes permanent supportive housing). The Metro Council may by ordinance, administrative rule, or binding policy limit or otherwise regulate any authorized use.

Section 4: Income Taxes Extended Through Tax Year 2050; Voter Reauthorization Required; Tax Rate Adjustments.

Upon voter approval of this Measure:

1. The Metro Income Taxes (collectively, the Metro Personal Income Tax and the Metro Business Income Tax) as set forth in Metro Code Chapters 7.05, 7.06, and 7.07 are reauthorized through the tax year ending December 31, 2050. After December 31, 2050, the income taxes will expire unless reauthorized by the voters on or before that date.
2. Beginning in Tax Year **X**, the Metro Personal Income Tax rate as set forth in Metro Code Chapter 7.06 is reduced from 1.0% to **X** and may not be increased without voter approval.
3. The income tax rates established by this Reform Measure and Metro Measure 26-210 represent the maximum rate allowed for an applicable tax year. The Metro Council may by ordinance reduce the income tax rate for any tax year below the maximum rate authorized by voters. If the Metro Council reduces the income rate below the maximum rate authorized for any given tax year, the Metro Council retains authority to later increase the rate up to the maximum rate authorized for any future tax year.

Section 5: Governance Reform; Housing and Homelessness Policy Advisory Committee (HHPAC).

1. A Housing and Homelessness Policy Advisory Committee (HHPAC) is established. The HHPAC will provide oversight and advice to Metro’s Supportive Housing Services and Affordable Housing Program and advise the Metro Council.
2. Metro Measure 26-210 established a Tri-County Planning Body and Supportive Housing Services Regional Oversight Committee. The Metro Council may by ordinance terminate either or both of those committees. The Metro Council may establish the appropriate timing for termination to ensure a smooth transition between the work performed by these committees and the newly established HHPAC.
3. HHPAC membership will include (but is not limited to) elected officials, community leaders, and experts from housing, services, business, and finance. As part of the HHPAC appointment process, the Metro Council will seek geographic and demographic diversity in the HHPAC’s representation.

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4. The Metro Council will appoint the HHPAC committee members no later than September 2025.
5. The Metro Council may review the HHPAC's role, purpose, and effectiveness as the Council deems appropriate. The Metro Council may conduct this review at any time, but no less than every three years following this Measure's effective date. The Metro Council may modify any aspect of the HHPAC as the Council deems appropriate to ensure appropriate oversight and regional planning. This includes, among other things, modifying the HHPAC's membership, responsibilities, authority, or role.

Section 6: Regional Housing and Homelessness Action Plan.

A Regional Housing and Homelessness Action Plan (Plan) will be adopted and updated periodically. The Plan will guide the work necessary to move the region out of its housing and homelessness crisis. It will include and identify key performance metrics, regional programs, priority populations, principles for highest use of funding, available resources, and strategies for success.

Section 7: Program Requirements; Compliance; Tax Funding Contingencies.

1. A SHS Local Implementation Plan (LIP) must incorporate affordable housing consistent with the Regional Housing and Homelessness Action Plan.
2. HHPAC must annually recommend and Metro must approve a local implementation partner's work plan before the partner may receive Metro Income Tax funding (program funding).
3. Continued program funding for implementation partners is contingent upon compliance with Metro-adopted requirements. These requirements include (but are not limited to) outcome metrics, reporting, data collection, data sharing, regional policies, standards, and definitions.
4. To understand how funding is being used to address the housing and homelessness crisis in the region, it is imperative that Metro have the full context of regionwide supportive housing services and housing system data forecasted budgets and actual spending. Consequently, continued program funding is contingent upon an implementation partner providing to Metro the partner's programmatic data as well as the partner's budgeted and actual financials from federal, state, regional, and local funding sources.
 - a. For each funding source listed above, implementation partner must submit to Metro and HHPAC annual programmatic reporting and final financial statements or best data available by September 30 of each year.
 - b. Implementation partner must also submit final statements or amended data no later than October 31 of each year.

The requirements of this subsection become effective for fiscal year 2024-2025 annual reporting. The first reporting is due to Metro by September 30, 2025.

5. The Metro Council may by ordinance or in a transition plan establish any applicable deadline to comply with the requirements of this section and any other requirement of this Reform Measure.

Section 8: Funding Allocations.

HHPAC will develop and recommend and Metro will adopt a tax funding allocation structure that:

- a. Builds integrated, regional supportive housing services and affordable housing programs;
- b. Prioritizes people experiencing chronic homelessness;
- c. Affirms the program's commitment to addressing racial inequities and disparities among

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marginalized communities; and

- d. Increases predictability for partners, providers, and recipients of services.

Section 9: Monitoring of Program Funds.

1. Metro may monitor any funded activities, including an implementation partner’s associated records and the records of its services providers to assess whether those activities comply with requirements. An implementation partner’s failure to provide all applicable records upon reasonable notice by Metro may result in a loss of funding or other corrective measures.
2. For purposes of this section, “monitoring” means the process of collecting and analyzing information about how funded activities are operating to understand their implementation practices and procedures and to assess whether activities comply with any applicable Intergovernmental Agreement (IGA), Local Implementation Plan (LIP), or Metro policy.

Section 10: Accountability of Program Funds; Audits.

1. Each implementation partner receiving program funds must report annually to the Metro Council and the HHPAC on how the partner has spent funds from the income taxes and how those expenditures have affected established homelessness metrics.
2. Every year a public accounting firm must conduct a financial audit of the revenue generated by the taxes and the distribution of that revenue. Metro will make public the audit and any report to the Metro Council regarding the audit results. Metro may use the revenue generated by the income taxes to pay for the audit costs required under this subsection.
3. The revenue and expenditures from the taxes are subject to performance audits conducted by the Office of the Metro Auditor and the elected or appointed auditors of any implementation partner.

Section 11: Codification of Measure Language; Conflicts with Metro Code; Periodic Review and Amendment.

1. Upon passage of this Reform Measure, the Metro Council may further act to codify, as applicable, Measure language that conflicts with any Metro Code language in effect at the time of the Reform Measure’s passage. The provisions of this Reform Measure prevail over conflicting language in the Metro Code at the time of this Reform Measure’s passage.
2. Nothing in this Reform Measure prohibits the Metro Council from further amending any Metro Code chapter, section or subsection as the Council deems appropriate to address changing circumstances, incorporate new information, or further implement the intent of this Reform Measure. However, without voter approval, the Metro Council may not act legislatively to extend the Metro Income Taxes beyond 2050, lower the tax income threshold below \$125,000 for single filers or \$200,000 for joint filers, or increase the maximum voter authorized tax rate as that rate exists for a particular tax year.
3. The Metro Council may conduct a periodic review of Metro’s Supportive Housing Services and Affordable Housing Program to evaluate any or all aspects of the Program and its funding. The Council may conduct this review at any time, but no less than every three years following the Reform Measure’s effective date. Following a review, the Metro Council may further act legislatively or otherwise in any manner it deems appropriate to ensure the Program’s effectiveness and support the goal of making homelessness rare, brief, and non-recurring

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Section 12: Administrative Rule Authority.

The Chief Operating Officer or designee may adopt administrative rules, forms, guides, and policies to further implement any provision of this Reform Measure. Any adopted rule has the same force and effect as any Metro Code section.

Section 13: Severability.

1. When determining this Reform Measure’s constitutionality or its adherence to the Metro Charter, a court of competent jurisdiction must evaluate every section, subsection, and subdivision of this Reform Measure separately.
2. If any section, subsection, or subdivision at any level is held invalid, the remaining sections, subsections, and subdivisions will not be considered affected and will remain in full force and effect.
3. Each section, subsection, and subdivision of this Reform Measure, at any level of subdivision, will be considered severable, individually or in any combination, as necessary. A court of competent jurisdiction may sever only those sections, subsections, and subdivisions necessary to render this Reform Measure consistent with the United States Constitution, the Oregon Constitution, and the Metro Charter.

ADOPTED by the Metro Council this XX day of February 2025.

Lynn Peterson, Council President

Attest:

Approved as to Form:

Georgia Langer, Interim Recording Secretary

Carrie MacLaren, Metro Attorney

DRAFT RECITALS FOR SHS REFORM MEASURE ORDINANCE No. 25-1525

***Note: Below are draft recitals for Ordinance No. 25-1525 (SHS Reform Measure). Upon any editing and amendment by the Metro Council, these recitals will be added to the Reform Measure Ordinance.*

***Note: Numbering of the recitals is for reference purposes only during Council discussion. Once approved, the numbers will be removed from the final draft Ordinance.*

1. WHEREAS, the greater Portland region is facing a severe and persistent housing affordability and homelessness crisis, which endangers the health and safety of thousands of our unhoused neighbors. Homelessness is a traumatic and dehumanizing experience that no person should have to endure, regardless of their circumstances; and

2. WHEREAS, the housing affordability and homelessness crisis in the greater Portland region impacts us all and requires collective and individual action from every person, business, elected official, and resident that calls the region home; and

3. WHEREAS, a safe, affordable home is the cornerstone on which all other success is built, and the stable foundation all members of our community need to thrive; and

4. WHEREAS, on November 6, 2018, Metro Area voters approved Measure 26-199, approving \$652.8 million in general obligation bonds for the creation of affordable housing in across the Portland region (the “Metro Affordable Housing Bond”); and

5. WHEREAS, through the hard work of multiple jurisdictional partners, community organizations and housing providers, the Metro Affordable Housing bond is on track to create more than 5,000 affordable housing units providing homes for between 9,000 and 15,000 people and exceeding its production goals by approximately 20 percent; and

6. WHEREAS, despite this notable progress, the State of Oregon, Metro and an array of community members and stakeholders have recognized that the greater Portland region is still well short of needed affordable housing and permanent supportive housing units to meet current and future need; and

7. WHEREAS, funding for the Metro Affordable Housing Bond will soon be fully committed, leaving the region facing a looming cliff in funding to create affordable housing to continue meeting this need; and

8. WHEREAS, on February 25, 2020, the Metro Council referred to the Metro area voters a personal and business income tax for the purposes of funding Supportive Housing Services in the Metro region (the “Supportive Housing Services Measure”), which was identified as Metro Measure 26-210; and

9. WHEREAS, on May 19, 2020, the Metro Area voters approved Measure 26-210, thus establishing a one percent personal income tax on high income earners and a one percent business profits income tax on businesses that gross \$5 million annually; and

10. WHEREAS, Measure 26-210 authorized funding for Supportive Housing Services and

**DRAFT RECITALS FOR SHS REFORM MEASURE
ORDINANCE No. 25-1525**

established a sunset date of December 31, 2030, for imposition of the Metro Income Taxes; and

11. WHEREAS, through the hard work of Metro’s county implementation partners and service providers around the region, the regional SHS program has in its first three years of implementation helped thousands of households avoid or escape homelessness, including funding more than 6,200 housing placements, more than 15,000 eviction preventions through regional rent assistance, and the creation or sustaining of more than 1,800 temporary shelter units; and

12. WHEREAS, despite these initial successes, the launch of the regional SHS program occurred during a time of profound trials and upheaval in the region and nation, including the impacts of the global COVID-19 pandemic on economic opportunity, public health, and public safety, which together exacerbated longstanding racial and economic inequality and lack of opportunity in the region; and

13. WHEREAS, these factors contributed to a tripling of unsheltered homelessness in the Portland region between 2020 and 2023 according to the annual Point-in-Time count, deepening public concern and further complicating and compounding challenges in investments to address this need; and

14. WHEREAS, owing to a variety of factors, the high-earner personal and business income taxes that fund the regional SHS program have collected revenue in their initial years of collection beyond what was anticipated when Measure 26-210 was approved by voters, creating the potential to apply some of these funds to address urgent affordable housing needs as the Metro Affordable Housing bond funds are spent down; and

15. WHEREAS, without near-term action to secure regional funding for affordable housing, the region will experience an immediate gap in funding for affordable housing creation; and

16. WHEREAS, voter approval is required to authorize affordable housing as an allowable use of the income tax revenue and to reauthorize the Metro Income Taxes beyond December 31, 2030; and

17. WHEREAS, without near-term action to extend the SHS sunset beyond 2030, supportive services and rent assistance funded by the SHS program will need to begin ramping down within a few years; and

18. WHEREAS, if SHS funding is not extended by 2031, approximately XXXXXX individuals and households will lose access to rental assistance funding and supportive services as available funding in the region reverts to unacceptably low levels, particularly in Washington and Clackamas counties; and

19. WHEREAS, addressing homelessness is a long-term, inherently regional effort that requires funding for dedicated supportive services, rental assistance, and ample affordable housing for people experiencing or at risk of homelessness; and

20. WHEREAS, the Metro Council, implementation partners, stakeholders and the public have identified several challenges, limitations and needed improvements for oversight, implementation and accountability during the implementation of the regional SHS program and Metro Affordable Housing Bond; and

**DRAFT RECITALS FOR SHS REFORM MEASURE
ORDINANCE No. 25-1525**

21. WHEREAS, particularly with regard to the regional SHS program these concerns are discussed in a Metro Auditor report in 2024 that identified multiple, conflicting layers of oversight, implementation and accountability, as well as “uneven preparedness to use funding among the three counties,” and “definitions, reports, and calculations that made it difficult to understand how the program has progressed”; and the Auditor recommended “stronger oversight... to ensure counties are making progress”; and

22. WHEREAS, on July 9, 2024, the Metro Chief Operating Officer issued a recommendation to the Metro Council regarding the future of funding address homelessness and housing instability through investments in services, rent assistance and the creation of affordable housing; and

23. WHEREAS, the Chief Operating Officer’s recommendation was created following an extensive process of research and engagement with partners, stakeholders, providers and community members; and

24. WHEREAS, since receiving the Chief Operating Officer’s recommendation the Metro Council has engaged in multiple work sessions and meeting discussions to consider priorities and provide direction in a public setting; and

25. WHEREAS, on October 17, 2024, the Metro Council adopted Resolution No. 24-5436, For The Purpose Of Establishing The Metro Council’s Priorities For An Integrated And Expanded Regional Supportive Housing Services And Affordable Housing Program; and

26. WHEREAS, since the passage of Resolution No. 24-5436, the Metro Council has continued intensive conversation with jurisdictional partners, coalition leaders, providers, SHS and Metro Housing Bond oversight committees and community leaders and stakeholders on key topics of governance, allocation and investment prioritization; and

27. WHEREAS, the Metro Council therefore finds that addressing the disproportionate experience of housing instability and homelessness among people of color, people living with disabilities, and people with other historically marginalized identities must continue to be a priority for regional investments in supportive housings services and affordable housing; and

28. WHEREAS, the Metro Council has heard and agrees with input from an array of stakeholders, partners and providers that investments with SHS tax revenues must continue to prioritize ongoing stability and supportive services for households receiving such services today, and furthermore that investments in affordable housing using SHS revenues should prioritize deepest affordability needs and populations that are currently experiencing or at the greatest risk of homelessness; and

29. WHEREAS, the Metro Council has heard and agrees with input from an array of stakeholders, partners and providers that any allocation of SHS revenue needs to acknowledge and address the inherent volatility of SHS income taxes in extending predictable funding for the long term; and

30. WHEREAS, the Metro Council has heard and agrees with input from many stakeholders, including the current SHS Oversight Committee and the Tri-County Planning Body, that there is a need to ensure continued regional investments to improve and standardize regional programs,

**DRAFT RECITALS FOR SHS REFORM MEASURE
ORDINANCE No. 25-1525**

policies, data collection and accountable governance of SHS spending and impact; and

31. WHEREAS, in seeking long-term funding for an integrated regional supportive housing services and affordable housing program, the Metro Council has heard and agrees about the need to strike an appropriate balance between the longevity and rate of regional taxpayers' contributions to addressing these needs, the region's economic recovery, and the necessity of securing greater contributions from State and Federal partners;

32. WHEREAS, the Metro Council seeks to convene and foster ongoing cross-jurisdictional and cross-sector collaboration to address homelessness in a way that is responsive, accountable, adaptable to changing conditions, and successful in securing and coordinating funding and policies from a multitude of sources; and

33. WHEREAS, the Metro Council's goal is that homelessness should be rare, brief and nonrecurring in the Portland region, and the region's response to homelessness and housing instability should be guided by a firm intention that every person in the region will experience stability, safety and hope, for their own future and that of their community; and

34. WHEREAS, the Metro Council intends to refer to the voters a measure that would: authorize using Metro Income Tax funds for affordable housing and permanent supportive housing, reduce the personal income tax rate, reauthorize the Metro Income Taxes through December 31, 2050, and establish a Housing and Homelessness Policy Advisory Committee for enhanced oversight and accountability of public tax dollars; and

35. WHEREAS, the Metro Council makes the following factual and legal findings:

- A. The Oregon Constitution Article XI, Section 14(4) gives Metro "jurisdiction over matters of metropolitan concern as set forth in the charter of the district." The Metro Council has previously determined that homelessness and affordable housing are matters of metropolitan concern as that term is used in the Oregon Constitution and the Metro Charter, thus giving Metro jurisdiction to legislate regarding these issues; and
- B. Metro voter approval is needed to extend the SHS tax beyond 2030 and to authorize affordable housing as an allowable use of SHS Metro Income Tax revenue in addition to services. However, the Metro Council retains broad and independent legislative authority to establish oversight and regulation of SHS Metro Income Tax Revenue use, including the oversight of how implementing partners use SHS tax funding; and
- C. Metro's Affordable Housing Bond will soon be fully allocated, and yet the greater Portland region is still well short of needed affordable housing and permanent supportive housing units to meet current and future need. Without near-term action to secure regional funding for affordable housing, the region will experience an immediate gap in funding for affordable housing creation; and
- D. Reforming Measure 26-210 (later codified in Metro Code) to authorize affordable housing as an allowable use of SHS Metro Income Tax revenue will help serve the vital interests of establishing more affordable housing and reducing incidences of homelessness; and

**DRAFT RECITALS FOR SHS REFORM MEASURE
ORDINANCE No. 25-1525**

- E. Measure 26-210 required the regional SHS program to include regional oversight and coordination. It also stipulated that the program was subject to performance and finance reviews to ensure that local implementation plans and spending by the region’s three counties meaningfully address challenges at a regional scale; and
- F. As discussed above, the Metro Auditor’s report of 2024 identified multiple, conflicting layers of oversight, implementation and accountability, as well as “uneven preparedness to use funding among the three counties,” and “definitions, reports, and calculations that made it difficult to understand how the program has progressed.” The Auditor recommended “stronger oversight... to ensure counties are making progress”; and
- G. The Metro Auditor’s concerns are in addition to those of implementation partners, stakeholders, and the public, each of whom have further identified several challenges, limitations and needed reform improvements for oversight, implementation and accountability of the regional SHS program; and
- H. Reforming Metro Measure 26-210 (and by extension the Metro Code) is a legitimate public purpose and necessary to protect the vital interests of those that are experiencing homelessness or likely to become homeless, as well as those experiencing housing instability or needing affordable housing. Therefore, it is appropriate and necessary for the Metro Council to act legislatively to reform Measure 26-210 and Metro’s Supportive Housing Services Program by referring this Reform Measure to seek voter approval.
- I. It is also appropriate and necessary for the Metro Council to act legislatively in the future, as applicable, to remove any conflict between this Reform Measure’s intent and any work plan, charter, Metro Code section, or document related to Metro Measure 26-210; now therefore,

The Metro Council Ordains as follows:

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BEFORE THE METRO COUNCIL

<i>WORKING TITLE:</i>)	ORDINANCE NO. 25-1526
FOR THE PURPOSE OF ESTABLISHING A)	
TRANSITION PLAN AND GUIDING THE)	Introduced by the Metro Council
IMPLEMENTATION OF THE SUPPORTIVE)	
HOUSING SERVICES AND AFFORDABLE)	
HOUSING REFORM MEASURE; REDUCING)	
PERSONAL INCOME TAX RATE)	

WHEREAS, the greater Portland region is facing a severe and persistent housing affordability and homelessness crisis, which endangers the health and safety of thousands of our unhoused neighbors. Homelessness is a traumatic and dehumanizing experience that no person should have to endure, regardless of their circumstances; and

WHEREAS, on May 19, 2020, Metro area voters approved Measure 26-210 (“the Supportive Housing Services Measure”) thus funding Supportive Housing Services in the Metro region by establishing a one percent personal income tax on high income earners and a one percent business profits income tax on businesses that gross \$5 million annually; and

WHEREAS, on February X, 2025, the Metro Council adopted Ordinance No. 25-1525, “For The Purpose Of Reauthorizing The Personal Income Tax And Business Profits Tax For Supportive Housing Services, Adding Affordable Housing As An Allowed Use Of Income Tax Revenue, Making Related Reforms To Oversight And Accountability; And Directing Referral To Voters For Approval,” and

WHEREAS, the Metro Council made certain findings in Ordinance No. 25-1525, including that “reforming Measure 26-210 (as later codified by Metro Ordinance No. 20-1452) is a legitimate public purpose and necessary to protect the vital interests of those that are experiencing homelessness or likely to become homeless, as well as those experiencing housing instability or needing affordable housing”; and

WHEREAS, the Metro Council also intends to seek the approval of Metro area voters in the May 2025 Special Election for the findings and actions described in Ordinance No. 25-1525, including but not limited to the extension of the regional Supportive Housing Services program to 2050, addition of affordable housing as an allowable expense, reform of regional oversight and accountability, and reduction of the personal income tax rate beyond 2030; and

WHEREAS, upon Metro voter approval of the proposed reforms in Ordinance 25-1525, the Metro Council seeks an expedient yet intentional transition to the reformed and expanded Regional Supportive Housing Services and Affordable Housing Program described in Ordinance No. 25-1525; and

WHEREAS, the Metro Council intends that this transition ensure as much predictability and stability as possible for ongoing programs, partners and providers funded by the Supportive Housing Services measure, while also establishing necessary reforms that create greater role clarity, efficiency and accountability and improve outcomes in an integrated Regional Supportive Housing Services and Affordable Housing Program; and

WHEREAS, to understand needed reforms and their potential effects, Metro Council and staff

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have sought input over the course of more than a year from jurisdictional partners, providers, community and business leaders, the Supportive Housing Services Regional Oversight Committee, the Metro Affordable Housing Bond Oversight Committee, the Tri-County Planning Body, the Metro Committee on Racial Equity, the Metro Policy Advisory Committee, housing and finance experts, Metro staff and the general public; and

WHEREAS, based on implementation of past voter-approved funding measures, the Metro Council believes it necessary to establish key expectations about priorities, outcomes and processes for governance and implementation of a reformed Program, while also creating sufficient time and opportunity to plan a full transition; and

WHEREAS, the Metro Council seeks to convene and foster ongoing cross-jurisdictional and cross-sector collaboration to address homelessness in a way that is responsive, accountable, adaptable to changing conditions, and successful in securing and coordinating funding and policies from a multitude of sources; and

WHEREAS, the Metro Council reiterates and acknowledges here the full recitals and findings of Ordinance No. 25-1525, in particular its goal that homelessness should be rare, brief and nonrecurring in the Portland region, and that the region's response to homelessness and housing instability should be guided by a firm intention that every person in the region will experience stability, safety and hope, for their own future and that of their community; and

WHEREAS, as outlined in Ordinance No. 25-1525, the Metro Council intends to refer to the voters a SHS Reform Measure that would authorize using Metro Income Tax funds for affordable housing and permanent supportive housing, reduce the personal income tax rate, reauthorize the Metro Income Taxes through December 31, 2050, and establish a Housing and Homelessness Policy Advisory Committee for enhanced oversight and accountability of public tax dollars; and

WHEREAS, Metro area voter approval is required to extend the SHS tax beyond 2030 and to authorize affordable housing as an allowable use of SHS Metro Income Tax revenue in addition to supportive housing services. However, the Metro Council retains broad and independent legislative authority to establish oversight and regulation of SHS Metro Income Tax Revenue use (including the oversight of how implementing partners use SHS tax funding), and thus the Metro Council may enact any provision in this Ordinance at a future date without voter approval as the Council deems necessary and appropriate; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

Section 1. Ordinance Effective Date.

The provisions of this Ordinance No. 25-1526 only become effective and valid upon the effective date of voter approval of Metro's Supportive Housing Services and Affordable Housing Reform Measure (the Reform Measure; Ordinance No. 25-1525), which Metro will place on the ballot for the May 20, 2025, election. However, if the Reform Measure does not obtain voter approval, nothing in this ordinance prohibits the Metro Council from reconsidering any provision in this ordinance that does not otherwise require voter approval as set forth under the Metro Charter.

Section 2. Metro SHS Income Taxes Indexed; Tax Rate Reduced for Personal Income Tax.

1. Beginning in Tax Year 2026 (starting January 1, 2026) the Metro Personal Income Tax exemption amount set forth in Metro Code Chapter 7.06 will be indexed to maintain the personal income tax on

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high income earners. Metro will use as its index the U.S. Average City Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau of Labor Statistics of the United States Department of Labor. The Metro Council will establish this index by ordinance with an ordinance effective date no later than January 1, 2026.

2. Beginning in Tax Year **X** and continuing through Tax Year **X**, the Metro Personal Income Tax Rate as set forth in Metro Code Chapter 7.06 is reduced from 1.0% to **X**. The tax rate of 1.0% remains in effect for Tax Years 2021, 2022, 2023, 2024, and 2025. The Metro Business Income Tax Rate remains unchanged at one percent.

Section 3. Transition of Current SHS Program to Integrated Supportive Housing Services and Affordable Housing Program; Transition Plan.

1. Upon voter approval of the Reform Measure, Metro will transition the current SHS Program to an integrated Supportive Housing Services and Affordable Housing Program. To implement the transition, Metro will adopt a Transition Plan no later than September 30, 2025.
2. As part of the transition from the current SHS Program established by Measure 26-210 to one that incorporates voter-approved reforms from this Reform Measure, Metro will adopt interim performance metrics and a program North Star no later than July 31, 2025. These interim metrics will be informed by regional outcome metrics in the current SHS Program and build upon the previously adopted SHS Regional Outcome Metrics framework.
3. As part of the Transition Plan, Metro will plan for the development of a systems mapping process with stakeholders including but not limited to elected officials, community leaders, state agency representatives, experts from housing, homelessness, behavioral health, business, finance, legal, and those with lived experience of homelessness or housing instability to identify opportunities for improvement and areas of best practices to replicate while implementing the transition.
4. The Housing and Homelessness Policy Advisory Committee established in Ordinance 25-1525 will recommend an interim allocation plan effective for fiscal year 2026-2027 for Metro Council adoption no later than December 31, 2025, to continue services and fund affordable housing investments until a final allocation plan is adopted as part of the Regional Housing and Homelessness Action Plan.
5. As part of this interim allocation plan, Metro will adopt a plan for creating and administering a dedicated, ongoing regional fund for investments in regional planning/strategies, including but not limited to the goal areas previously approved by the Tri-County Planning Body.
6. Beginning in fiscal year 2026-2027, local governments will use SHS Income Tax revenue to fund services and affordable housing consistent with any allocation plan adopted by Metro Council.
7. As part of the Transition Plan, Metro will plan for the development and adoption of an interim compliance policy, including interim definitions and standards for implementation partner compliance and non-compliance with Metro requirements, and escalating corrective measures for use in instances of implementation partner non-compliance.

The allocation model as set forth in this section will be periodically reconsidered in conjunction with updates to the Regional Housing and Homelessness Action Plan as that Plan is further described in Section 5.

WORKING DRAFT
NOT AN OFFICIAL ORDINANCE SUBMISSION

Section 4. Housing and Homelessness Policy Advisory Committee Responsibilities; Membership; Voting Rights.

1. The Housing and Homelessness Policy Advisory Committee (HHPAC) established by the Reform Measure (Ordinance No. 25-1525) has the following responsibilities:
 - a. Oversee program and fiscal performance, lead regionalization efforts, and advise Metro and implementing partners in context of the evolving regional housing, affordable housing, and homelessness systems;
 - b. Develop and recommend criteria for disbursement of funds for approval by Metro Council;
 - c. Periodically recommend Regional Housing and Homelessness Action Plan for approval by the Metro Council;
 - d. Review and recommend Local Implementation Plans for approval by Metro Council;
 - e. Evaluate and review program activity implementation and progress towards established regional outcomes; and
 - f. Provide annual reports to Metro Council and the public.
2. To inform and support its work and recommendations, the HHPAC will:
 - a. Be advised by a technical advisory committee of people with knowledge and experience in the many facets of regional homelessness and housing need;
 - b. Incorporate meaningful processes and/or structures for input from housing service providers and people with lived experience of homelessness;
 - c. Be advised, through its technical advisory committee, by a transitional subcommittee of current non-elected members of the Supportive Housing Services Tri-County Planning Body, for up to two years, to aid in the transition of existing regionalization efforts to the new structure;
 - d. Be supported in committee work, technical analysis and policy development by Metro staff; and
 - e. Be supplemented by regular independent financial reviews and program evaluation.
3. The HHPAC will consist of the following 21 members appointed by the Metro Council President and subject to confirmation by the Metro Council.
 - a. Three Metro Councilors, one of whom will chair the committee.
 - b. One County Commissioner each from Clackamas, Multnomah, and Washington Counties.
 - c. One elected representative from the largest city by population in each of the three counties.
 - d. One elected representative from a city within the Metro boundary in each county that is not otherwise the largest city in that county by population.
 - e. Six community representatives with expertise to include (but not limited to) housing, homelessness, behavioral health, business, finance, legal, and community leadership.
 - f. One representative each from three of the four following state agencies: Oregon Department of Human Services, Oregon Housing and Community Services, Oregon Health Authority, and Department of Land Conservation and Development.

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4. The Metro Council President may appoint a co-chair, as needed.
5. The Metro Council will seek geographic and demographic diversity in the HHPAC's representation.
6. All HHPAC members are full voting members except for the representatives of the three state agencies.

Section 5. SHS Program Regionalization; Regional Housing and Homelessness Action Plan.

1. The HHPAC will develop a Regional Housing and Homelessness Action Plan (Plan) that:
 - a. Recommends regional investment priorities and an allocation strategies plan, grounded in an understanding of the evolving conditions impacting homelessness and housing instability, performance-based evaluation of the relative impact of previous investments and a review of the most effective emerging best practices.
 - b. Speaks to systemic challenges in addressing homelessness and housing instability, including regionalization, system alignment, capacity and improvement, establishing regional standards in procurement, performance-based contracting, payment processing, and pay equity, and other opportunities and needs raised through engagement with those most knowledgeable about these challenges, including service and housing providers, and those with expertise across intersecting systems.
 - c. Incorporates regional goals and priorities, including but not limited to the six goals identified by Tri-County Planning Body: coordinated entry, landlord recruitment, healthcare system alignment, training, technical assistance, and employee recruitment and retention.
2. The Plan must reflect the following characteristics:
 - a. Coordination and incorporation of the full regional context, dynamics and drivers impacting homelessness and affordable housing need, as well as available funding and programs already at work in the region;
 - b. Identification of desired regional outcomes and key performance metrics to support Metro and Implementation Partners in achieving a shared vision of desired impact and understanding of funded partners' progress toward these goals;
 - c. Incorporation of regionalization efforts and successes to date in the current regional SHS program and Metro Affordable Housing Bond;
 - d. Identification, prioritization and alignment of supportive housing services and affordable housing investment strategies, within a focused time period, to serve communities with the deepest housing needs including those experiencing and at risk of chronic homelessness and those most impacted by systemic barriers to housing instability;
 - e. Updates every five years or on a cycle to adapt to changing needs and successes over the life of the program as determined by HHPAC; and
 - f. Other characteristics and requirements as directed by the Metro Council or recommended by HHPAC.

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3. Implementation partners are required to develop a Local Implementation Plan (LIP), with periodic reviews and updates to align with the Regional Housing and Homelessness Action Plan.
4. An LIP must be developed using locally convened and comprehensive engagement that prioritizes the voice of Black, Indigenous, and people of color and people with lived experience of homelessness. Plans must be developed in full partnership with advisory bodies that equitably reflect community expertise and experience. Each implementation partner may convene new advisory bodies or use existing bodies that fulfill the representation requirements.
5. An implementation partner's Local Implementation Plan and work plan must comply with the Regional Housing and Homelessness Action Plan. This includes adding housing to the LIP and demonstrating coordination with cities that are within that portion of an implementation partner's Metro jurisdiction. An implementation partner must periodically review and update its LIP on a schedule established by Metro.

Section 6. Codification of Ordinance Language.

1. After this ordinance's effective date, the Metro Council may further act to codify, as applicable, any ordinance language that conflicts with any Metro Code language in effect at the time of this ordinance's effective date.
2. Nothing in this ordinance prohibits the Metro Council from further amending any Metro Code chapter, section, or subsection as the Council deems appropriate to address changing circumstances, incorporate new information, or further implement the intent of this ordinance.

Section 7. Severability.

1. When determining this ordinance's constitutionality or its adherence to the Metro Charter, a court of competent jurisdiction must evaluate every section, subsection, and subdivision of this ordinance separately.
2. If any section, subsection, or subdivision at any level is held invalid, the remaining sections, subsections, and subdivisions will not be considered affected and will remain in full force and effect.
3. Each section, subsection, and subdivision of this ordinance, at any level of subdivision, will be considered severable, individually or in any combination, as necessary. A court of competent jurisdiction may sever only those sections, subsections, and subdivisions necessary to render this ordinance consistent with the United States Constitution, the Oregon Constitution, and the Metro Charter.

ADOPTED by the Metro Council this XX day of February 2025.

Lynn Peterson, Council President

Attest:

Approved as to Form:

WORKING DRAFT
NOT AN OFFICIAL ORDINANCE SUBMISSION

Georgia Langer, Interim Recording Secretary

Carrie MacLaren, Metro Attorney

DRAFT

Materials following this page were distributed at the meeting.

Integrated SHS/Housing Funding: Draft Policy Package

Metro Council Work Session

January 16, 2025



Overview: Draft Metro Council actions

Measure Ordinance

No. 25-1525

- What's required for voter consideration and approval
- Key bottom-lines for Council

Companion Ordinance

No. 25-1526

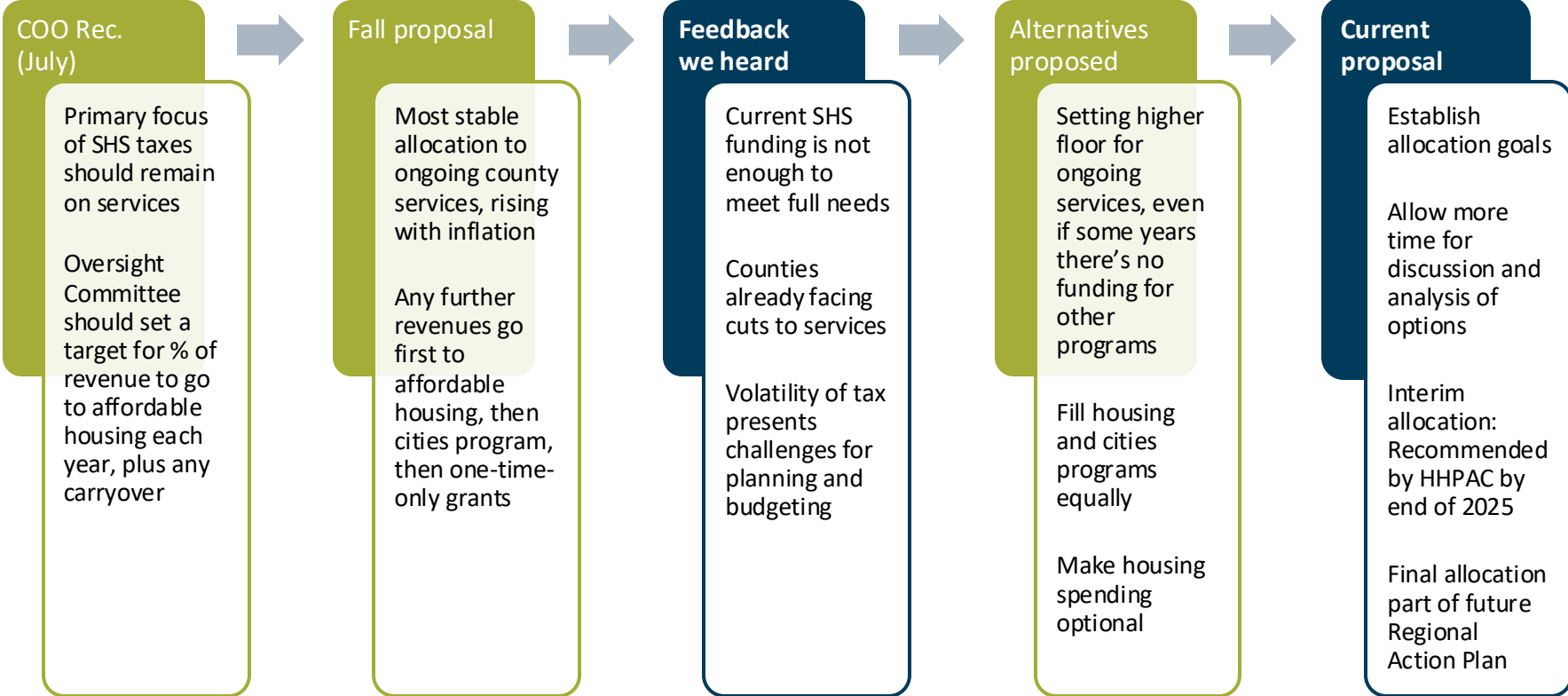
- Responsiveness to stakeholders and partners
- Topics, timelines, priorities for transition

Referral Resolution

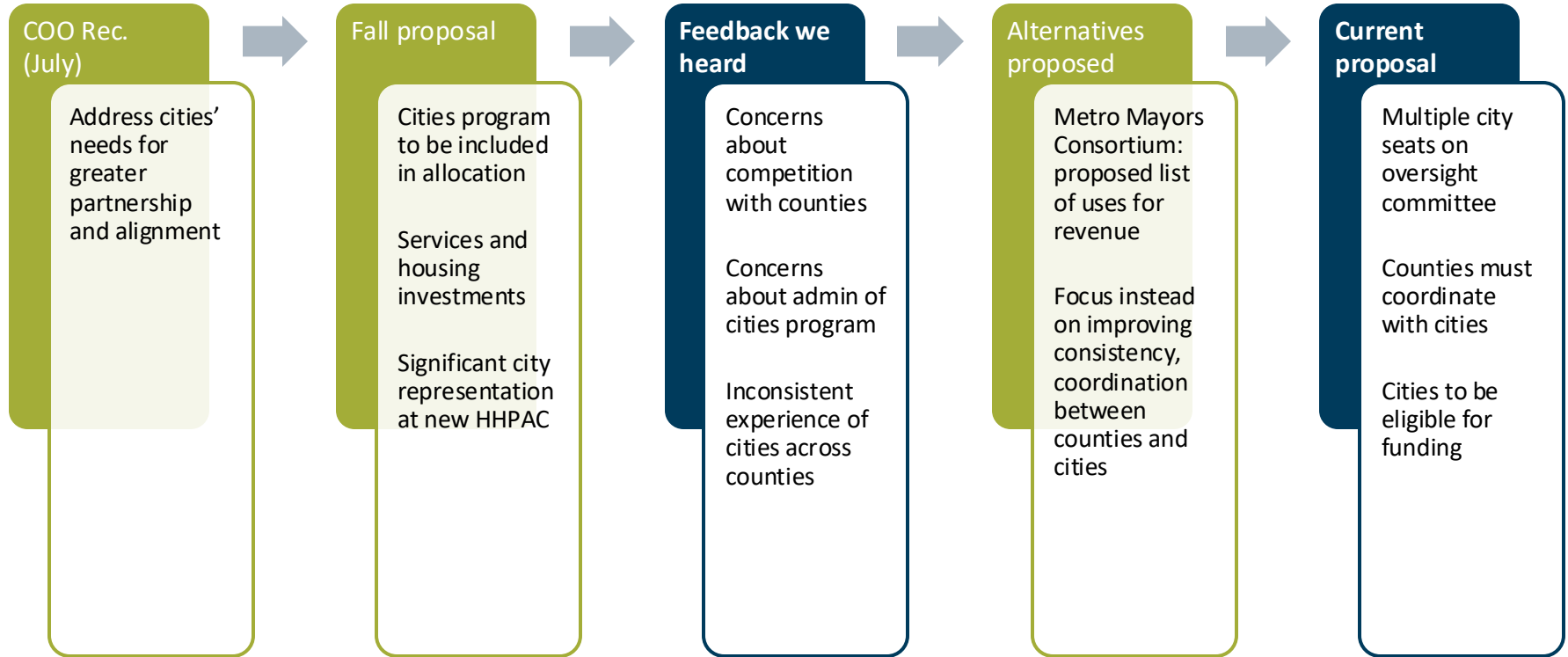
(February)

- Would formally send Measure to voters
- For Council consideration with Ordinance adoption decision

Listening and evolving: Funding housing and service needs



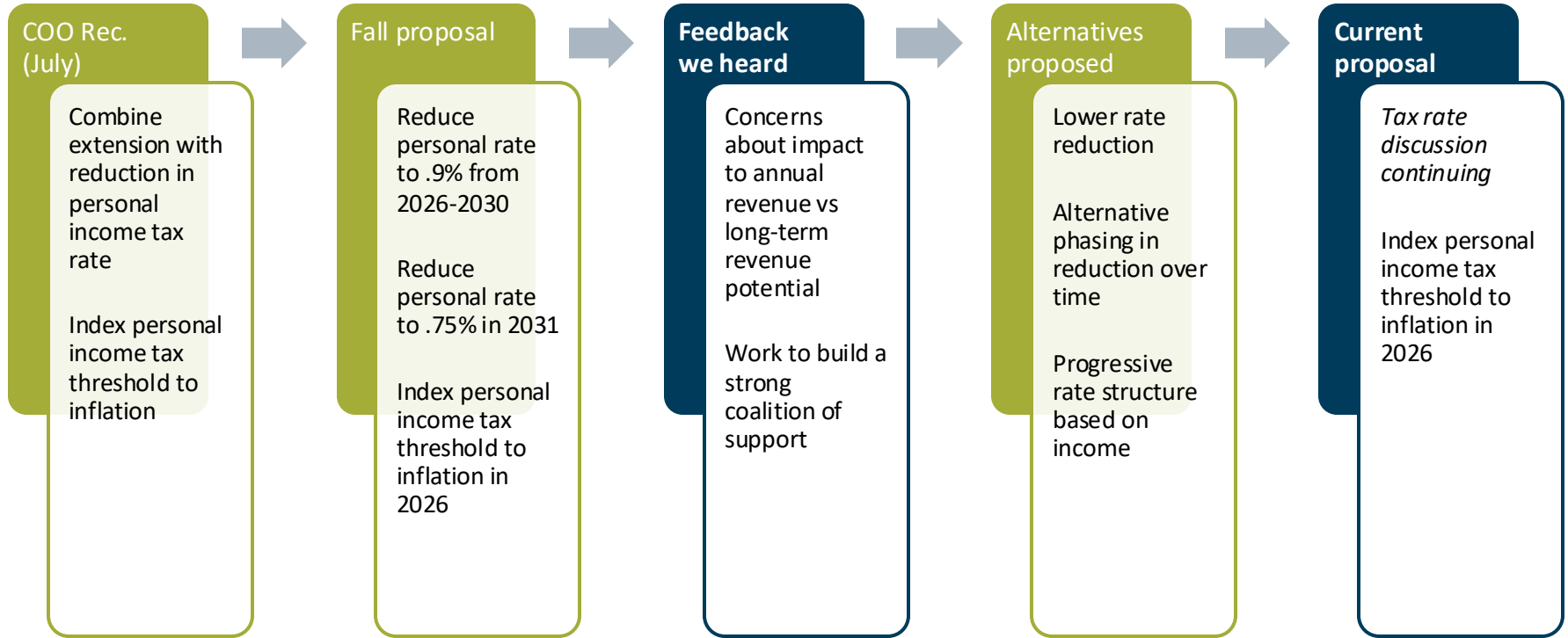
Listening and evolving: Cities partnership



DRAFT 1/16/25

SUBJECT TO CHANGE UPON METRO COUNCIL DELIBERATION

Listening and evolving: Tax relief



DRAFT 1/16/25

SUBJECT TO CHANGE UPON METRO COUNCIL DELIBERATION

Measure Ordinance No. 25-1525: Overview

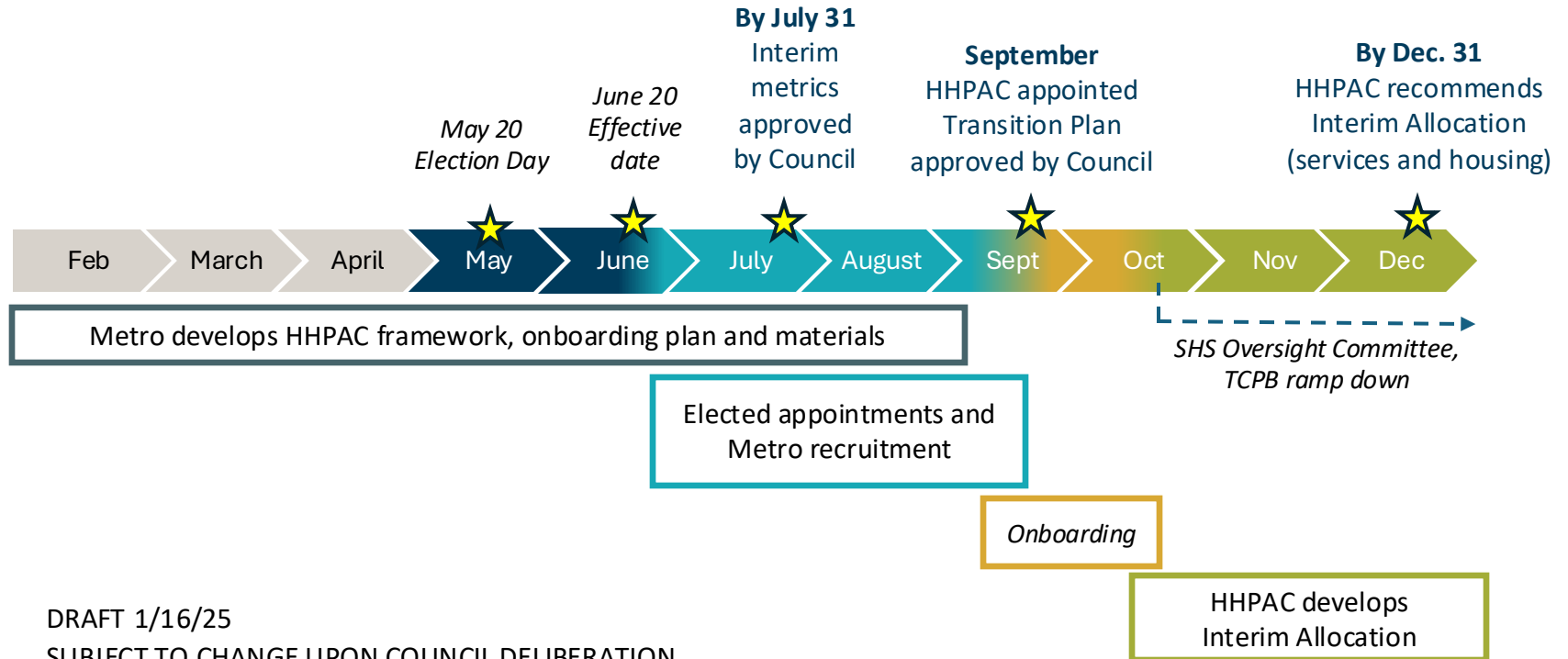
Establishing key findings	Meeting long-term needs	Efficient oversight	Effective regional plan	Greater accountability
<p>Need for continued funding for services and affordable housing in an integrated program</p> <p>Need for improved oversight and accountability</p> <p>Voter requirements and Metro's legislative authority</p>	<p>Allow affordable housing as use</p> <p>Sunset extension to 2050</p> <p><i>Potential tax rate changes under discussion</i></p>	<p>Establish single Housing and Homelessness Policy Advisory Committee</p> <p>Thoughtful transition from current oversight structure</p> <p>Representation and diversity</p> <p>Council appoint members by Sept. 2025</p>	<p>Regional Housing and Homelessness Action Plan: Key elements</p> <p>Allocation priorities:</p> <ul style="list-style-type: none">• Integrated regional services and housing• Prioritize people experiencing chronic homelessness• Advance racial equity commitments• Increase predictability	<p>Program requirements and compliance for implementation partners</p> <p>Monitoring</p> <p>Audit provisions: Partners and program</p> <p>Periodic program review by Council</p>

Companion Ordinance: Overview

Tax relief	Smooth transition	Efficient oversight	Effective regional plan	Aligning local plans
<p>Indexing personal income tax threshold to inflation to keep focus on higher-earners</p> <p><i>Potential tax rate changes under discussion</i></p>	<p>July: Council sets interim metrics and North Star</p> <p>September: Transition Plan adopted by Council</p> <p>December: HHPAC recommends interim services/housing allocation for FY 26-27</p> <p>Council to set interim compliance policies</p>	<p>Detailed roles for HHPAC: Policy recommendations, Plan review, annual reports to Council</p> <p>Incorporate input from service providers, people with lived experience of homelessness, TCPB members</p> <p>Detailed membership and appointment process</p>	<p>Regional Action Plan recommended by HHPAC</p> <p>Systemic analysis of homelessness and housing instability</p> <p>Includes regional outcomes, performance metrics</p> <p>Investment priorities focused on deepest need</p> <p>Advance regional strategies, standards, goals</p>	<p>Local Implementation Plan requirements:</p> <ul style="list-style-type: none">• Compliance with Regional Plan• Include affordable housing• Coordination with cities• Informed by equitable community engagement and people with lived experience• Periodic review and updates

Draft Transition Timeline, 2025

As described in Draft Ordinances 25-1525 and 25-1526



DRAFT 1/16/25

SUBJECT TO CHANGE UPON COUNCIL DELIBERATION

Next steps

Proposed amendments

Staff will support Councilors in developing proposed amendments for discussion

Council meeting

Thursday, Jan. 23, 10:30 a.m.

First read, public hearing, amendment consideration

Council discussion

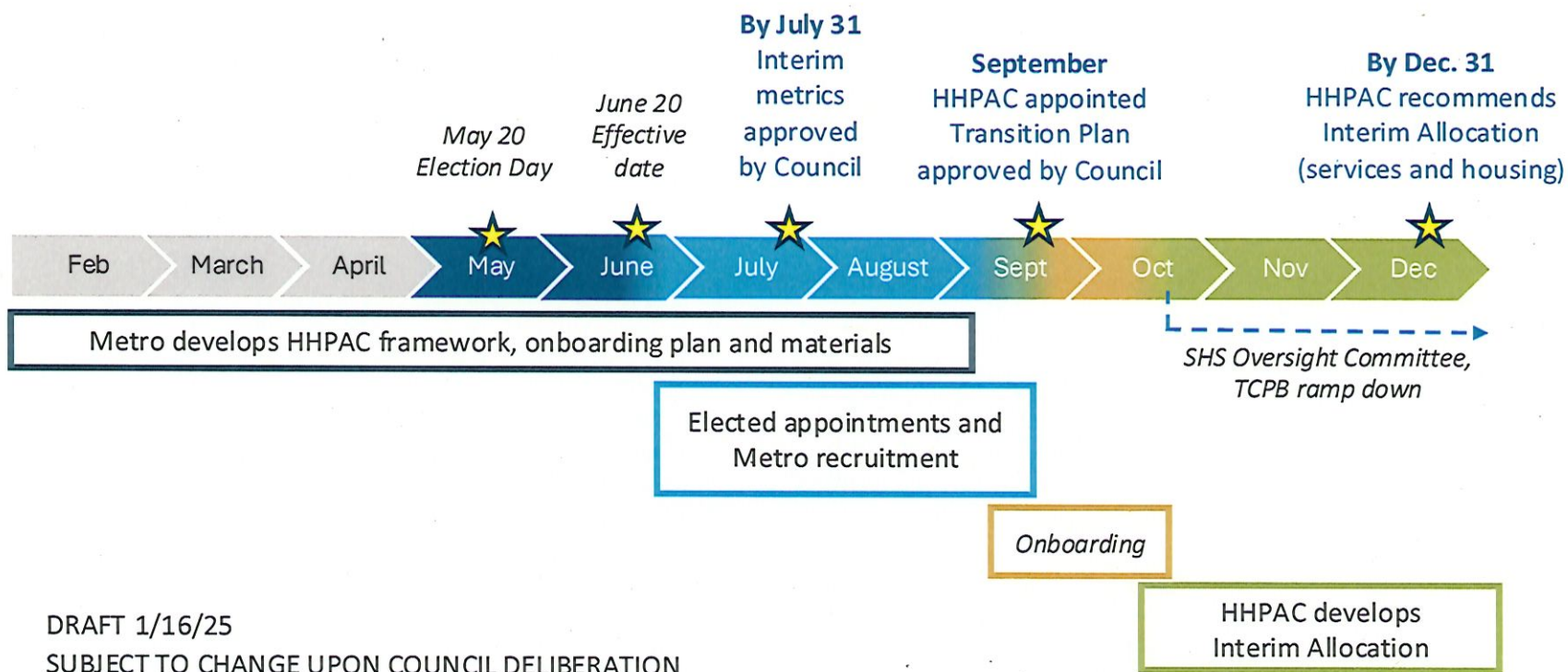
Clarifications, questions, potential amendments

Three rounds of discussion

- Draft Measure Ordinance No. 25-1525
- Draft Companion Ordinance No. 25-1526
- Additional comments (time-permitting)

Draft Transition Timeline, 2025

As described in Draft Ordinances 25-1525 and 25-1526



For the record my name is Mayra Mendoza and I am the Director of Programs for Family Promise of Tualatin Valley

Council president and members of council:

In my role as Director, I oversee our Bridge to Home shelter as well as our housing programs, HCMS and ERRH, all of which will be heavily impacted by any changes proposed. This includes the 26 of our staff members and the hundreds of households in these programs.

The SHS program has changed the manner in which FPTV has been able to serve the community. We are a family focused organization serving households of all ages, demographics and walks of life. In our shelter we have children attending our after school programs, and participating in movie and bingo nights. And we have parents attending our Money Matter sessions. The shelter gives them a sense of security knowing they have a warm place to sleep and food at every meal. With the safety provided by shelter, the adults have the opportunity to seek employment, work with staff who can provide resources, and be able to look into a future of stability instead of trauma. SHS funding is the reason families have these options.

Our housing programs, HCMS and ERRH, have been delicately structured the past 3 years as Washington County evaluates and listens to its partners' feedback. An endeavor as large as this takes time to develop, adjust and perfect, and is constantly evaluated for effectiveness. These programs are not just dollars and cents, these programs affect the lives of the humans in our community. The mission of FPTV is to "equip vulnerable families and individuals to end the cycle of homelessness through a community based response." Today we are asking the Metro council to consider that every cent you cut, will affect a family, a child, a medically fragile individual, continuing to leave the most vulnerable without assistance or hope. We are here today to give them a voice.

Thank you for your time.

Georgia Langer

From: Wufoo <no-reply@wufoo.com>
Sent: Saturday, January 11, 2025 10:06 AM
To: Legislative Coordinator
Subject: [External sender]Submit testimony to Metro Council [#303]

CAUTION: This email originated from an **External source**. Do not open links or attachments unless you know the content is safe.

Name * Brian Marx

Email * briankmarx@gmail.com

Address 
15775 SW 147th Avenue
Tigard, OR 97224
United States

Your testimony

I am concerned about the proposed extension of the Metro Homeless Services tax extension. I agree that we need to assist the Homeless and provide services. However, we should solve this collectively as a community. It's not the responsibility of businesses or high income earners. If we need to levy a tax, all income earners should participate. The majority of voters, who vote for these measures, never pay the tax. It doesn't seem fair or even constitutionally legal for the majority voters to impose a tax on the minority of the population. When this happens, there is no control over tax rates, tax increases and the duration of the tax. The majority of the voters will always vote for services for which they are not obligated to pay. Unfortunately, these types of measures, supported by this taxation structure, are starting to gain momentum. It's understandable, since the majority of people who vote never pay the tax. I would be curious to hear voter feedback , regarding this measure, if everyone had to pay the tax.

Is your Yes
testimony
related to
an item
on an
upcoming
agenda? *

January 15, 2025

President Peterson and Metro Council Members,

First, I am grateful for your work to make this pioneering response to homelessness work. I have been deeply involved as well on the ground level. As a member of the Washington County LIP committee, I was able to help imagine what we could do to address this tragic problem. Since then, I have served on the board of Family Promise of Tualatin Valley where I also volunteer. My involvement includes running the after school and summer programs for our kids, doing staff training and support and volunteer training, and helping with liaison with other programs such as behavioral health, tax preparation, voter registration, and library services. Seeing the impact of these programs brings me deep joy. But I also see so much else we need to do and know we are serving only a percentage of those in need.

These remarks are only my own, not those of the program I work with. I would like to address some of the parts of the SHS change proposal.

1. Reduction of the tax rate.

This was first proposed when it was seen that we had tax collection that exceeded the predictions. This has now changed dramatically and we are expected to experience a shortfall. Revenue projections from December 2024¹ show:

- That anticipated tax collection will be \$50 million less than predicted a year ago.
- Oregon and particularly the Metro area will experience less economic growth than most of the nation, including cut backs of high paying jobs from such employers as Intel.

In addition, we face significant uncertainty about federal dollars with the beginning of the new administration. The potential cuts in federal funding for everything from housing to Medicaid can affect both local funding and also available state dollars.

The proposed tax rate reduction will not only lead to program cuts but will produce uncertainty and disruption in programs that are just becoming stabilized with full workforce and policy. The proposed reduction would decrease tax payments for a single tax payer with \$200,000 taxable income by \$180, or the cost of a latte a week. Many taxpayers say that they are upset about the logistics of the tax collection- not with the amount of the tax.

¹ <https://www.oregonmetro.gov/sites/default/files/2024/12/06/SHS-revenue-forecast-20241206.pdf>

I oppose this cut. Instead, simplify the tax collection mechanism.

2. Indexing the tax threshold to inflation and extending the tax through 2050.

I support this proposal, but propose that we carefully assess the definition of inflation to reflect actual increased costs of programs.

3. Going to the voters in May 2025 to make proposed changes.

We lack data to predict the impact and cost of existing SHS programs as they mature. Development of good regional data on impact and cost, as well as a clear picture of the total funding network for these services, should be available before we make changes in the program. Much of what we wish to do can be accomplished without a change in the SHS measure at this time. Do that first.

I oppose putting these proposals on the May 2025 ballot.

3. Allowing use of SHS dollars for investment in housing development.

It has been proposed that we allow this through a ballot measure change, but leave the details to later. This will result in ongoing struggles of how to allocate the money, with winners and losers that may not reflect actual need. Before this happens we must:

- Determine the ongoing cost of effective SHS programs and plan to maintain funding at this level as a baseline with ongoing inflation adjustment
- Determine the cost of maintaining population A in any housing that is produced, including continuing wrap around services. (i.e. purchasing a hotel for long term supportive housing requires services now funded by SHS dollars.)
- Have a clear picture of how this volatile funding source can be braided with other funding for long term housing impact.

I propose that this information be developed over the next 16 months and then a decision be made about any changes to SHS funding that might go to the ballot.

4. Creation of a regional oversight body

We have numerous oversight bodies at both the county and Metro level. Many of these have spent the past years defining their roles, creating mission statements and getting up to speed in order to perform their oversight. A new body seems like it would take time and resources to start again.

I support a reimagining of the roles of the current Metro SHS Tri-county Planning Body and the SHS Regional Oversight Committee to address any needs for coordination. I support the concept of technical advisory subcommittees to rapidly

forward the work of these committees including inclusion of recipients of SHS services and representatives of elected bodies. I urge the alignment of county planning and advisory committees to inform this structure. This does not appear to need a ballot measure to proceed.

5. Reallocation of funds to cities

Until we have a clearer concept of how funds are currently spent across Metro, the addition of another recipient of those funds, with autonomous requirements, seems counterproductive. Through funding routed through the counties, cities already are involved in using SHS funds.

I proposed that data on cities' involvement in providing SHS-type services and housing development be included in plans leading up to a future ballot measure and that coordination of services across the region be a requirement for adding any funded entity.

Final take: While supporting the extension of the sunset of the SHS tax, I oppose putting it on the ballot in 2025. I oppose any reduction of funding for existing and future SHS services. I acknowledge the volatility of this funding and propose that excess funds in good years be allocated, in order, to:

- a reserves fund that is sufficient to level out SHS funding through any anticipated downturns.
- one time funding for specific needs such as work to coordinate health care and housing programs.
- short term leveraged funding to develop permanent housing, such as purchase of existing buildings.
- replacement of the expired bond measure funding for long term affordable housing development.

Thank you for your attention to this,

Carol Greenough
Tualatin OR 97062

MMC

Metropolitan Mayors' Consortium

Mayor Lacey Beaty
City of Beaverton

Mayor Brian Hodson
City of Canby

Mayor Jeffrey Dalin
City of Cornelius

Mayor
City of Durham

Mayor Keith Kudrna
City of Fairview

Mayor Malynda Wenzl
City of Forest Grove

Mayor Michael Milch
City of Gladstone

Mayor Travis Stovall
City of Gresham

Mayor Tom Ellis
City of Happy Valley

Mayor Beach Pace
City of Hillsboro

Mayor
City of King City

Mayor Joe Buck
City of Lake Oswego

Mayor Michelle Montross
City of Maywood Park

Mayor Lisa Batey
City of Milwaukie

Mayor Ariel Goodwin
City of North Plains

Mayor Denyse McGriff
City of Oregon City

Mayor Keith Wilson
City of Portland

Mayor Tim Rosener
City of Sherwood

Mayor Heidi Lueb
City of Tigard

Mayor David Ripma
City of Troutdale

Mayor Frank Bubenik
City of Tualatin

Mayor Rory Bialostosky
City of West Linn

Mayor Shawn O'Neil
City of Wilsonville

Mayor John Miner
City of Wood Village

Metro Council
600 N Grand Ave
Portland, OR

January 14th, 2025

VIA EMAIL

Re: Supportive Housing Services Measure Reform

Dear Metro President Peterson and Councilors,

The Metropolitan Mayors' Consortium, representing the mayors of twenty-five cities in the Portland Metro Area that collectively home over 1.7 million Oregonians, shares your concerns about the uncertain future of the Supportive Housing Services measure and its impacts on our thousands of unsheltered constituents. With voter confidence in SHS shrinking by the month, **we urge you to delay referral of any SHS extension measure until we have agreement at all local levels of government in our region and increased public sentiment.**

The MMC appreciates the forums for ongoing dialogue that you have established with the cities, counties, business groups, and service providers. We are appreciative of the several times that President Peterson and senior leadership at Metro have joined meetings of the full MMC and its Executive Committee. Individual Metro Councilors have maintained open doors to hearing the concerns of the region's Mayors. In addition to participating at the Stakeholder Advisory Table level, MMC members also presented at a smaller Metro table on December 10th. The MMC urged delay on referral at that meeting out of concern for lost voter confidence and highlighted these key remaining accountability issues:

- Metro SHS audit recommendations should be implemented prior to measuring renewal,
- Metro, Counties, and Cities must work through the complex issue of allocation,
- Concerns over administrative fees must be addressed,
- An outside performance audit is needed to develop the program into an effective, efficient, and collaborative model.

In short, shared oversight reform must be implemented and demonstrated to work effectively before we seek voter approval of an extension.

Notably, the SHS proposal as written provides neither certainty nor adequacy of funding for city-led homelessness initiatives. The proposal also does not address the cost to city budgets of supporting affordable housing, most acutely experienced through lost revenue from waived system development charges and property tax breaks. Cities have no interest in reducing or supplanting from services delivered by our respective counties. Rather, we remain optimistic that we can collaborate to ensure that critical services delivered by cities are eligible for and funded by the SHS measure and data transparency concerns that presently betray the public's trust can be remedied. Metro has worked hard to engage regional partners, and it is crucial that it not truncate that engagement in a rush to a May ballot.

The region's mayors remain your partners in serving our region. We remind you that we have until 2030 before the existing SHS measure expires. Please delay referral while together we achieve governance and transparency improvements that can build the public's trust and improve outcomes.

Sincerely,

A handwritten signature in black ink, appearing to read "L Beaty". The signature is written in a cursive, flowing style.

Chair Lacey Beaty, on behalf of the Metropolitan Mayor's Consortium

Dear Metro Council Members,

Multnomah County is committed to addressing, resolving, and preventing homelessness. The voter approved Supportive Housing Services (SHS) Program funds have provided us the resources to do this.

Building on learnings from the first two years of the SHS Program, we are now making huge strides to deliver on — and exceed — our commitments to voters and other partners in our community. We are implementing, refining, and growing our continuum of services to get more people off the street, back into housing, and helping them with the services that most benefit them.

- In FY 2024 alone, we helped place 2,322 people into housing using SHS dollars. That's a 76% increase over our SHS outcomes last year.
- Rapid rehousing programs in particular, saw especially impressive outcomes. We placed 1,510 people in rapid rehousing last fiscal year with SHS dollars, more than double our goal.
- We support the operations of 52 shelters systemwide, with over 2,700 shelter beds open right now and another 280 shelter beds being added this year.
- We fund Supportive Housing, and this year we will have 1,901 apartments funded across the County, representing 85% of our 10-year goal of 2,235 units.
- We respond to experts and providers about what it takes to make a long-term impact on housing stability. We increased funding for Permanent Supportive Housing from \$10,000 per household to \$15,000 to \$17,500 for projects meeting set criteria.

Just as our community is seeing unprecedented alignment and clear momentum toward our SHS goals, Metro's proposal to change direction would risk slowing our progress. As the Metro Council considers changes to the SHS Program, we want to express our commitment to our shared goals: reducing unsheltered homelessness, creating pathways to permanent housing, more transparency in how funds are spent, and clearer performance measures.

Now is not the time to make radical changes to the SHS Program that could reduce our ability to make progress. We ask that the Metro Council hold off on making changes until we better understand the overall impact of these changes, including reductions in revenue.

Significant changes to oversight need more vetting to make sure any changes represent the interests of the community for transparency and accountability while balancing the need for Counties' approval based on our processes and not adding a layer of administrative requirements.

As we see it, based on the most recent polling conducted by Metro, we do not see significant support for a ballot measure that would pass in May the way it's proposed now. It would be a mistake to take this to the voters prematurely.

Lastly, we have three new Commissioners, and we need adequate time for the full Board to understand all of the proposed changes from Metro and other partners.

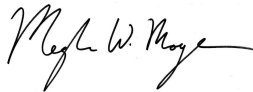
The Multnomah County Board asks the Metro Council to pause on a ballot referendum until we have an agreed upon and politically viable plan going forward.

Multnomah County is committed to continued conversation with Metro and regional partners to improve the efficacy of the SHS Program. We want to show that we are working together, that we are open and honest, and that we are responsible and accountable to voters. We are confident that by working together, we can succeed in our commitments.

Thank you,



Jessica Vega Pederson
Chair



Meghan Moyer
Commissioner District 1



Shannon Singleton
Commission District 2



Julia Brim-Edwards
Commissioner District 3



Vince Jones-Dixon
Commissioner District 4



LACEY BEATY
34th Mayor of Beaverton

January 15th, 2025

President Peterson and Members of the Metro Council,

The City of Beaverton, home to over 100,000 residents and the second-largest city in Washington County, is at the forefront of combating the growing homelessness epidemic in the Metro region. As mayor, I have been involved in efforts to improve the Supportive Housing Services (SHS) program over the last year and have heard from a variety of stakeholders, including other local governments, service providers, community members, and the business community. We share a collective priority of serving our most vulnerable populations while being good stewards of public funds.

We have seen significant success in Beaverton since the passing of the SHS and Affordable Housing bonds, including the development of five affordable housing complexes totaling over 400 units, the opening of the city's first year-round shelter with 60 beds, and a 85 percent decrease in visible street homeless in our downtown.

I am deeply invested in the continued success of SHS and share many of Metro's concerns about the sustainability of the program. However, I urge the Metro Council to vote no on referring this issue to the ballot in May.

In recent months, there has been growing urgency from the Portland business community and Metro to bring the SHS program to the ballot in May. A proposal has emerged that would drastically reduce funding to counties and cities in exchange for more affordable housing that relies on city subsidies to be viable. This threatens our ability to serve our most vulnerable populations today. After hearing concerns from the Metro Mayors Consortium, City Councils, and County Commissions, it appears that there has been little meaningful movement to address these concerns or a clear, urgent reason for changes this year.

In response to Metro's conversation on January 16, I have outlined my recommendations below.

Timing

I understand the frustration and the desire for Metro to prioritize addressing immediate voter concerns. However, measures like this are often proposed to tackle long-term challenges that directly impact the well-being of our region. While confidence in leadership may ebb and flow, the need to invest in solutions for homelessness reduction should remain our primary focus.

Instead of rushing to the ballot, I view this as an opportunity to demonstrate to voters that we are committed to tangible results. That said, it is equally important for Metro to actively rebuild trust by being transparent, listening to constituents, and clearly communicating how these measures will address their concerns and deliver real benefits. This balance is critical to moving forward together.

I believe we can accomplish this without rushing to the ballot, by starting with the recommendations already proposed in the most recent Metro audit report released in January 2024. These include consolidating the Tri-County Planning Body and the Supportive Housing Services Oversight Committee to achieve the regional governance model included in the proposal.

City Involvement

Cities have been transparent about our budget constraints in providing additional homelessness services. Beaverton already operates a safe parking program and has reimaged our downtown bicycle team and library services to address the growing need for on-the-ground communication and resources. This is in addition to the property taxes and system development charge (SDC) waivers we provide for affordable housing units, which further strain our operating budget and threaten our ability to provide core services.

The proposals to date have been unclear about how the needs of cities will be addressed moving forward. If Beaverton is to support changes to a foundational program like SHS, we need to clearly understand how it will impact our ability to continue providing services and what mechanisms will be available to effect change.

I remain committed to this important work and urge the Metro Council to reconvene stakeholders to identify improvements that can be made to the program without taking the issue to the ballot, while continuing to refine a future proposal that will sustain the program in the long term.

Sincerely,

Lacey Beaty, Mayor of Beaverton



TO: Metro Council

FROM: Metro Supportive Housing Services Oversight Committee (SHSOC)

DATE: January 10, 2025

SUBJECT: SHSOC Recommendations and Feedback Regarding Changes to Oversight and Governance for the Supportive Housing Services Measure

The SHSOC has been engaged in multiple briefings on the Metro Housing Funding changes that Metro Council is currently considering based on Chief Operating Officer Marissa Madrigal's recommendations released in the summer of 2024. As the primary oversight body currently responsible for ensuring the Supportive Housing Services (SHS) measure attains the goals and objectives intended by voters, we provide the following feedback and recommendations regarding oversight, accountability, and governance. This memo reflects our commitment to ensuring that investments achieve regional goals and desired outcomes with transparency and accountability.

Scope of Feedback

As the oversight body tasked with monitoring the implementation of SHS, our feedback focuses on key aspects that will ensure the program is efficient, accountable, and transparent in delivering services across the region. While individual committee members have expressed concerns ranging from reductions in services due to funding limitations to the broader funding landscape, this memo emphasizes alignment between our oversight responsibilities and the proposed changes we have reviewed over the past year.

Current Challenges

1. Limited Authority for True Oversight:

True oversight requires the power to influence or redirect decisions. Many members have experienced a disconnect between the SHSOC's mandate and its authority, leading to a perception of "rubber-stamping" strategies from implementing jurisdictions without the ability to enforce accountability.

2. Unclear Decision-Making Pathways:

There is a lack of clarity on how decisions are made when there is misalignment between Metro and counties. Counties often request changes to policy or operations that are not thoroughly deliberated with Metro or SHSOC, leading to inefficiencies and confusion.

3. Barriers to Data Sharing and Reporting:

The absence of regionalized, timely, and actionable data continues to hinder oversight and performance evaluation. Discrepancies in data sharing agreements and technical challenges prevent a comprehensive understanding of system performance.

Recommendations for Governance Reform

1. Renegotiate Intergovernmental Agreements (IGAs):

The current IGAs provide a framework for collaboration but fail to address the complexities of interjurisdictional coordination. Unresolved disagreements often lead to inefficiencies and undermine accountability. Renegotiating these agreements is essential to ensure streamlined decision-making and alignment across jurisdictions.

The IGAs between Metro and counties must be updated to clearly define roles, responsibilities, and decision-making pathways. This renegotiation should:

- Establish structured escalation protocols, including facilitated mediation, to resolve disagreements between jurisdictions in a timely manner.
- Preserve regional collaboration by ensuring decisions reflect shared goals and prevent fragmentation.
- Include accountability mechanisms that clarify consequences for non-compliance or misalignment with regional priorities.

2. Adoption of Outcome-Based Performance Management:

Outcome-based performance management can be achieved without the need for ballot measure and is within Metro's current scope of responsibility. Programs funded by the SHS measure have made progress, but the absence of a robust performance management system limits their ability to demonstrate measurable outcomes. Standardized metrics and data-sharing agreements are essential to ensure real-time evaluations and equitable results. This approach is vital to maintaining public trust and achieving long-term program success.

Shared commitment to outcomes-based performance management is needed to ensure efficiency and equitable resource allocation. This includes:

- Identifying and addressing barriers to data sharing by convening a working group to create standardized reporting templates, establish data-sharing agreements, and invest in shared reporting platforms.
- Setting interim regional performance metrics, such as reductions in unsheltered homelessness, disaggregated by race and ethnicity.
- Mandating regular reporting to track progress and ensure transparency, supported by public dashboards or summaries.

3. Evidence-Based Decisions with Funding and Governance:

There is growing concern over how funding decisions are made, especially amid resource constraints and competing priorities. Without a clear evidence-based approach, investments risk misalignment with pressing needs. Grounding decisions in data and shared goals is essential to optimize the program's impact and maintain public confidence.

To avoid misalignment of funds and goals, the SHSOC recommends:

- Developing a coordinated approach to ensure SHS and affordable housing initiatives complement rather than compete with one another.
- Articulating clear objectives for affordable housing efforts to maintain public confidence and ensure funds are used strategically.

Conclusion

The SHS Oversight Committee is committed to supporting the SHS measure's success through rigorous oversight and actionable recommendations. We strongly urge the Metro Council to:

- Prioritize IGA renegotiations to strengthen regional coordination and accountability.
- Immediately address data-sharing challenges to enable outcomes-based performance management.
- Protect SHS initiatives while clearly defining the future goals of affordable housing efforts.

We appreciate the opportunity to provide this feedback and remain dedicated to ensuring the SHS program achieves its mission of creating a regionally aligned system of care for people experiencing homelessness.